

GREATER TAUNG LOCAL MUNICIPALITY



BUDGET 2010/2011 – 2012/2013

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2. Mayor's Budget Speech

MAYORAL BUDGET SPEECH – GREATER TAUNG LOCAL MUNICIPALITY – 14 JUNE 2010

PRESENTED BY THE MAYOR, CLLR ITUMELENG MAKGALEMANE

Madame Speaker

Honorable Deputy Minister of Department of Cooperative Governance and Traditional Affairs

Chief Whip

My Colleagues in the Executive Committee of Council

Fellow Councilors

Municipal Manager and Officials

Dikgosi tsa rona tse di tlotlegang

Distinguished guest

Comrades and Compatriots

Ladies and Gentlemen

Halala, Bafana Bafana, Halala. The time is now! Africa has shown the world that given fair playing ground and opportunity we can emulate to be the best organizing continent in the world. The year 2010 is the year that all Africans will never forget and we are behind our team, Bafana Bafana. South Africa today is on everybody's lips as billions of people around the globe watch the beautiful game of soccer. Siyaqhoba Bafana Bafana. Thanks to the decision taken by FIFA when its president, Mr Sepp Blatter announced on 15 May 2004 that the 2010 FIFA World Cup is going to be organized in South Africa. Taung boosting the world heritage site of the Skull in the Dr Ruth S Mompati District in North West Province, we bear the testimony of what South Africa has achieved after the release of our political icon, former president, Ntate Nelson Rolihlahla Mandela on 10 February 1990 and the unbanning of political movement in South Africa. The decision to which all of us are proud to serve as a nation.

Madam Speaker gathered here as a collective our constitutional mandate is clear and straight forward:

- **To provide democratic and accountable government for our local community**
- **To ensure the provision of services to our community in a sustainable manner**
- **To promote social and economic development**
- **To promote safe and healthy environment; and**
- **To encourage the involvement of our community and community organization in the matters of local government**

Honorable Speaker, to bring us where we are today, generations of selfless freedom fighters, black and white, have sacrificed their comfort, their freedom and even their lives in the struggle for a new political order. Today the mantle is upon our shoulders to carry the struggle forward, to rid our country of the terrible legacy of apartheid deprivation and underdevelopment and to build a better life for our people.

Section 106 of the Municipal Systems Act, Act 32 of 2000 was invoked in our municipality. The investigation is based on numerous allegations of fraud, corruption and maladministration. The department of Local Government and Traditional Affairs engaged the services of the Special Investigation Unit (SIU) to conduct investigations and once the finding has been determined those responsible will face serious consequences.

Municipalities remain the key part and are integral to the reconstruction and development effort in our country. The aim of democratizing our society, growing our economy and improving the living conditions of our people can only be realized through a responsive, accountable, effective and efficient Local Government System that is part of a developmental government.

Honorable President Jacob Zuma on 11

February 2010, in his state of the Nation

Address Stated:

I quote: “During this year of action, let us work together to make local government everybody’s business”

“Municipalities must improve the provision of housing, water, sanitation, electricity, waste management and roads...” close quote.

Madame Speaker, let me remind the house that Cabinet on the 2nd of December 2009 approved the Local Government Turn-Around Strategy (LGTAS) in order to accelerate service delivery, lift up the human capital element, ensure proper system of internal controls, sound finance management and accountability, and above all, functional and effective municipalities.

The strategy has been further refined into a Local Government Ten (10) Point Plan which seek to achieve the following:

- **Improve the quantity and quality of basic services for all people in terms of water, sanitation, electricity, waste management, roads and disaster management.**
- **Enhance the municipal contribution to job creation and sustainable livelihoods through Local Economic Developments (LED's) utilizing cooperatives in every ward.**
- **Deepening democracy through a refined ward committee system that will be basil on the will of the people.**
- **Municipalities that have reliable and credible Integrated Development Plans (IDP's) that are used as a guide for every development, programs and projects within that municipality.**
- **Build and strengthen the administrative, institutional and financial capabilities of municipality, and all municipalities should have clean audits by 2014.**

- The creation of a single window of co-ordination, support, monitoring and intervention as to deal with uncoordinated interaction by other spheres of government with municipalities including unfunded mandate.
- Uprooting of corruption, nepotism, maladministration in our system of local government.
- Develop a coherent and cohesive system of governance and a more equitable intergovernmental fiscal system.
- Develop and strengthen a politically and administratively stable system of municipalities.
- Restore the institutional integrity of municipality

As part of the strategy to turn around our municipality, the Municipal Manager, Mr. Mpho Mofokeng was deployed by Rapid Response Team (RRT) for initially six months from October 2009. We manage within the six months of his deployment to have our own tailor made Turn-Around Strategy for the municipality that Council approved in March 2010. We took a decision as council to extend his employment by further two years in our municipality. The area of focus on our Turn-Around Strategy include amongst others:

- **Revenue Enhancement**
- **Governance and Administration**
- **Address the backlog for infrastructure and maintenance thereof.**

Madame Speaker, I must emphasise the fact that there are challenges that have been identified on these tailor made Turn-Around Strategy.

Some of the challenges identified on Turn-Around Strategies are as follows:

- **Lack of human resource and funding**
- **Delay on appointment of LED Manager**

- **Lack of commitment by ward committees and Community Development Workers to have credible and increased number of indigents**
- **Compilation of Annual Financial Statement outsourced due to lack of internal capacity**
- **Delay in bid processing and awarding**
- **Unbundling of assets**
- **Financial system not user friendly**
- **Interference by politicians on Supply Chain Management**
- **Problem of office space**

Minister Secelo Shiceka, during National Members Assembly of South African Local Government Association (SALGA) held in Kimberley recently, has outlined the new system which will make Mayors and Municipal Managers more accountable in their work. He said: “All mayors and municipal managers will be required to sign performance agreements ...”

It is imperative to have the performance agreement in order to measure results and its impact to the community. The following are power of measuring results:

- **If you don't measure results, you can't tell success from failure**
- **If you can't see success, you can't reward it**
- **If you can't reward success, you probably rewarding failure**
- **If you can't see success, you can't learn from it**
- **If you can't recognize failure, you can't correct it**
- **If you can demonstrate results, you can win public support**

It is with the above background that as representatives of our communities and structures we are required to report back and provide feedback to our constituencies. Within fourteen days from today I will sign the performance agreement with the municipal manager and the same will apply to directors who will have to sign theirs with the municipal manager. Cascading strategy to other employees should be looked at so that we improve service delivery to our community.

South African Local Government Bargaining Council approved the annual increase of 8.48% to employees with effect from 1 July 2010. The bench marking will be implemented once the municipality receives the final outcome report from South African Local Government Bargaining Council.

Madam Speaker, today we are faced with a decision to approve the budget for the financial year 2010/2011 to 2012/2013. Next year we envisage having local government elections, wherein communities will elect their representatives to council. Our revised Integrated Development Plan, Turn-Around Strategy and Multi-year budget address pertinent question that we strive as council to bring better life to the community together.

We are here as elected representative of the various sectors and groupings which take up the totality of our communities. The very fact that we were all elected to be part of this house is an affirmation that, at least, a section of our community believes that we can speak for them and represent their interest in this house. As a collective, we are the microcosm of the full political and ideological diversity of our community. Despite our divergent political and ideological starting points we are here united by the common task that faces all of us – A healthy and wealthy Greater Taung to ensure a happy community that has overcome the battle against poverty. We are all striving to build a better life for all our people.

Madam Speaker, we present to the house the following policies for consideration and compliance purpose:

- **Debt Collection and Credit Control Policy**
- **Indigent Policy**
- **Virement Policy**
- **Cash and Direct Deposit Policy**
- **Property Rates Policy**

It must be taken into consideration that from the above policies, the virement, and cash and direct deposit policy are new and other three are for review purpose. In the first quarter of

the new financial year we expect to receive two policies for considerations and review purpose. That is Asset Management Policy and Supply Chain Management Policy. In due course, procedure manual will have to be developed in order to improve systems of internal control for the municipality. Our responsibility as councilors is to mobilize our community to pay for the services that municipality provide so that we can be sustainable.

We have addressed some of the challenges identified above

The annual financial statement of the municipality is going to be prepared internally for the financial year 2009/2010.

We recently met the Auditor General, Mr. Terrence Nombembe in order to address challenges on the audit opinion to achieve clean audit report. We target to have clean audit report on the next financial year 2010/2011.

The area that has been identified as challenge is compliance with GRAP 17 in full on infrastructure assets as they require being unbundled.

AGRICULTURE

Our region is known as Texas of Africa because of the agricultural production in crops and best meat produced. Agriculture remains a key economic priority for our area. We have been working closely with the provincial Department of Agriculture, Conservation and Environment. The challenge remains stray animals on the road which causes accidents and loosing lives of our people. The fencing that is erected does not last long as thugs and thieves steal the wire.

Madam Speaker, we want farmers in our area to participate in big numbers as cooperative to become part of a strategic cattle breeding and trading area. This will ensure that, in particular black farmers begin to own herds of more than fifty each, of good quality, which fetch good prices at auctions and slaughter houses.

Honorable Speaker our focus area as on our Integrated Development Plan and Turn-Around Strategy are as follows:

1. To eradicate poverty by continuing to address the basic needs of our people especially water, sanitation, electricity and transport infrastructure in underserved areas.
2. To strengthen our people livelihood strategies by creating economic opportunity through the promotion of Local Economic Development.
3. To accelerate the transformation of our Municipality to focus on service delivery, Batho-Pele, Values, community empowerment and Local Economic Development.
4. To mobilize, organize, educate and inform our people to empower them to participate meaningfully in our collective effort to build a better life for all.
5. To ensure the financial, environmental and social sustainability of our programmes and our institution.

Subsequent to the tabling of the Integrated Development Plan, Turn-Around Strategy and the Budget we invited public comments and had public participation in four clusters. We have sent to Provincial and National Treasury our documents for their views. We received the following responses from Provincial Treasury.

- **Amount of grants classified as other revenue**
- **An amount of R670 000 from Department of Sport, Art & Culture from Provincial Gazette not reflected on budget**
- **The breakdown of other revenue of R111 175 000.**
- **Budget for interest on investment and outstanding debt not shown**
- **Remuneration of councilors included under employee related cost**
- **Source of funding not shown for capital expenditure**
- **Draft Service Delivery and Budget Implementation Plan not submitted**
- **Tables of information not completed**
- **Budget document not fully completed**

After receiving the comments by Provincial Treasury we ensured that we comply with National Treasury Circular and regulations by producing the budget document with relevant table of content. All grants to be received by municipality were taken into consideration. In total the grants to be received by our municipality equal R114 655 000 and makes 82 % of the total budget of the municipality for the financial year 2010/2011.

The breakdown of other revenue were done on Table A4 that represent the Budgeted Financial Performance (Revenue & Expenditure) and it specify the amount to be received for interest on investment of R2 537 000 and R1 374 000 on Interest on outstanding debt.

On expenditure by Type, still on Table A4 it indicate the amount of R12 215 000 budgeted for councilors remuneration for the financial year 2010/2011. Sources of funding has been indicated on Table A1 (Budget Summary) and capital expenditure will be financed from R37 882 000 and R17 448 000 from government grants and internally generated funds respectively. Tables of information are now complete together with the budget document as I present it today. The work and effort that has been shown by our administration should be commended.

Madame Speaker, we consulted extensively with our community. Mainly the question of excessive tariffs was being raised that charges deny community to access service delivery. We reviewed the tariffs as requested by the community.

The following tariffs were reviewed:

HIRE OF EQUIPMENT (per hour from municipal yard and back)	2009/2010	2010/2011
Tipper Truck (Wet Rate)		R200.00 per hour
Tractor & Bush cutter		R200.00 per hour
Bush cutter		R100.00 per hour
Water Cart (wet Rate)		R200.00 per hour
Pedestrian Roller		R100.00 per hour
Front end loader (TLB) (Wet rate)	R550.00 per hour	R300.00 per hour
Concrete cutter (Wet rate)	R330.00 per hour	R100.00 per hour
Graders	R550.00 per hour	R400.00 per hour
Compactor		R100.00 per hour

Madame Speaker, it is worthwhile to mention some projects that will change the lives of our people.

We intend to address the sewerage facility challenge that we experience daily – we have allocated an amount equal to R3 000 000 from our internal funds to address the sewer system.

Here we are referring to hospital area where we experience health hazard challenges.

The road projects in Modimong/Coconyane has been identified as priorities to be addressed in the forthcoming financial year for R2 000 000.

Community halls have been allocated R2 250 000. High mast light are going to be constructed for the sum of R3 000 000.

HIV and AIDS

We still make an appeal to those of us who are sexually active to heed to the call of A B C

- A for Abstain
- B for Be Faithful to your partner
- C for Condomise

We are all affected by this epidemic of HIV and AIDS in our lives and as community representatives we also have duties to educate our society on health matters.

Now that the FIFA World Cup 2010 is in South Africa, the negative impact of the lives of our people can be felt in ten to twenty-five years to come. The mortality rate is high in South Africa and it has been attributed to many factors including accidents, poor health facility, HIV and AIDS.

In 2006, 41 % of deaths were attributed to 25-49 year olds, up from 29 % in 1997. In 2020 to 2035 the percentage rate of HIV and AIDS to total death will be more than the current percentage of forty one (41).

IN CONCLUSION:

Madam Speaker, when we craft the document we were mindful of the 2010, government's five key priorities:

- **Education**
- **Health**
- **Rural development and land reform**
- **Creating decent work**
- **Fighting crime**

Madam Speaker, I wish to thank all the officials, the councilors, ward committee members, community development workers, members of the community and my dear wife for support and understanding in crafting these documents. Lastly we appreciate the relationship that prevails with our Dikgosi's.

We intend to establish the Youth Council in the next financial year that will look at issues relating to youth activities in our entire municipality.

I therefore move that this house adopt and approve the reviewed Integrated Development Plan and the budget for the financial year 2010/2011 – 2012/2013 with the accompanying recommendations.

KE A LEBOGA

3. Budget Related Resolution:

1. That the Budget of Greater Taung Local Municipality for the financial year 2010/2011 and indicative for the two projected outer years 2011/2012 and 2012/2013 be approved for the purposes of complying with section 16(2) and 17(3) of the Municipal Finance Management Act, as set out in the following schedules.

- 1.1 Operating revenue by source at an amount of R93 704 917
- 1.2 Operating expenditure by vote at an amount of R85 853 366
- 1.3 Capital expenditure by vote at an amount of R55 329 196
- 1.4 Capital funding by source at an amount of R55 329 196

2. That transfers within a vote should be approved at the level of the Municipal Manager in order to reduce bottle-necks and smooth operation of the municipality; and report be submitted to Council on quarterly basis of any transfers made during the financial year. That definition of a vote refers to a Strategic Business Unit. Transfer of funds from capital budget should be approved by municipal manager.

3. That tariff be increased as follows with affect from 01 July 2010:

Property rates	0%
Water	6%
Electricity	15%
Refuse	6%
Sanitation	6%
Other services	6%

4. That the current indigent households for 2009/2010 on the register be approved for 2010/2011 and the office of Chief Financial Officer perform verifications to all current indigent households to confirm their status in order to reduce time delay caused in applying verifying, processing and approval. New applications and those whom has not been approved can make new applications.
4. That the threshold for indigent customers be increased to R2 160
5. That allowances for ward committee members be R1 000 per month in line with the government gazette
6. That the reviewed policies be approved for implementation in 2010/2011.

4. The Budget

4.1 Executive Summary

Greater Taung Local Municipality (GTLM) is situated within Dr Ruth S Mompoti District Municipality in the North West Province. Being the largest local municipality in the district with total population of 214 765 (42.92%) from the entire district of 500 365 (STATSA Community Survey 2007), challenges of unemployment rate at 23% impact on service delivery as more than 90% constitute rural area with high indigent rate. The municipality is graded at 3 in terms of determination of upper limits for councilors allowances and salaries. The grading for the employees is 3 in terms of SALGA circular.

Total Budget

The total capital and operational budget is R55 329 196 and R85 853 366 respectively for 2010/2011 financial year.

Capital Budget

The Integrated Development Plan informed the capital budget according to priorities of the Municipality. The total capital budget amount to R55 329 196. A detailed source of funding for the outer two financial year is indicated on schedule attached.

Highlights

Below are few highlights on capital budget.

The following projects will be funded from MIG

➤ Greater Taung Waste Management	=R4 803 492
➤ LED Infrastructure	=R1 400 000
➤ Taung Thusong Centre	=R2 375 000
➤ Taung High Mast Lights	=R3 000 000
➤ Pudimoe Access Road	=R3 600 000
➤ Dryharts Community Hall	=R2 125 000
➤ Diphitsing Community Hall	=R2 125 000

PROJECT REGISTER WITH ALLOCATION, COMMITMENT AND PROJECTIONS BUDGET (OVER 3 YEARS)

MIG Allocation					2009/2010		2010/2011	2011/2012	2012/2013	COMMENT
					R 19,324,418.62		R 22,428,492.09	R 26,974,859.23	R 32,799,000.00	
ITEM	Ward	PROJECT DESCRIPTION	STATUS	APPROVED AMOUNT	COMMITMENT	EXPENDITURE (PROJECTIONS)	COMMITMENT	COMMITMENT	COMMITMENT	
A	B	C	D	E	F	G	H	I	J	K
1	GTLM	PMU	On going		R 966,200.00	R 400,000.00	R 1,046,796.00	R 900,000.00	R 1,000,000.00	
2	5/6 & 11	Greater Taung waste management	Construction	R 8,355,000.00	5,000,000.00	R -	R 4,756,696.09	R 3,551,507.91	R 0.00	Multi - year projects
3	GTLM	LED Infrastructure	Design & Tender	R 11,000,000.00	R 1,220,060.00	R -	R 1,400,000.00	R 5,000,000.00	R 4,600,000.00	Multi - year projects
4	20,2,15,16, 1 & 8	Taung Thusong Centres	Construction	R 17,000,000.00	R -	R 4,000,000.00	R 2,375,000.00	R 5,000,000.00	R 5,625,000.00	Multi - year projects
5	GTLM	Taung High Mast Lights	Design & Tender	R 14,000,000.00	R -	R 1,500,000.00	R 3,000,000.00	R 5,000,000.00	R 4,500,000.00	Multi - year projects
6	1	Boipelo Stormwater	Construction	R 4,560,000.00	R 1,800,000.00	R 4,560,000.00	R 0.00	R 0.00		
7	5	Pudimoe Access Road	Construction	R 9,600,000.00	R 2,600,000.00	R 6,000,000.00	R 3,600,000.00	R 0.00		
8	6	Myra Road and Stormwater	Construction	R 5,000,000.00	R 5,000,000.00	R 4,500,000.00	R 0.00	R 0.00		
9	10	Modimong/Cokonyane Access Roads	Captured	R 5,834,024.00	R 1,793,030.00	R 561,834.28	R 0.00	R 0.00		
10	1	Reivilo Abattoir	Captured	R 0.00	R -	R 1,403,324.04	R 0.00	R 5,000,000.00	R 3,984,000.00	
11	11	Taung Community Hall	Captured	R 0.00	R -	R -		R 1,000,000.00	R 5,000,000.00	Multi - year projects
12	4	Dryharts Community Hall	Captured	R 0.00	R -	R -	R 2,125,000.00	R 0.00		
13	18	Diphitsing Community Hall	Captured	R 0.00	R -	R -	R 2,125,000.00	R 0.00		
14	3	Matlapaneng Community Hall	To be Captured	R 0.00	R -	R -		R 410,000.00	R 1,890,000.00	Multi - year projects
15	GTLM	Sport Facilities	To be Captured	R 0.00	R -	R -		R 350,000.00	R 1,950,000.00	Multi - year projects
16	10	Madibaneng Roads & Stormwater	To be Captured	R 0.00	R -	R -	R 2,000,000.00	R 0.00		
17	15	Molelema Stormwater Management	To be Captured	R 0.00	R -	R -		R 413,351.32	R 2,100,000.00	Multi - year projects
18	11	Taung Cetral street to Police Station	To be Captured	R 0.00	R -	R -		R 350,000.00	R 2,150,000.00	Multi - year projects
19				R 0.00	R	R				
		TOTAL		R 75,349,024	R 18,379,290	R 22,925,158.32	R 22,428,492.09	R 26,974,859.23	R 32,799,000.00	

The following projects will be funded from own funds

MAIN VOTE	DISCRIPTION	DISCRIPTION	ADJUSTED	TOTAL
0010 - COUNCIL	Office Equipment	Computers & Software	30,000	
	Office Furniture	Office Furniture	30,000	
	Vehicles	Quantum	400,000	460,000
0040 - LANDUSE	Office Equipment	Computers & Software	20,000	
	Office Furniture	Office Furniture	20,000	40,000
0060 - LIBRARY	Office Equipment	Taung & Rvilo Lib	30,000	
	Office Furniture	Taung, Reivilo	20,000	50,000
0080 - BUILDINGS	Land & Build Infrastructure	New Taung Depot	1,500,000	
	Support: War on Povity	Support to the Poor	300,000	1,800,000
0090 - ELECTRICITY	Land & Build Infrastructure	Reivilo Elek infrastructure	317,100	
	Elec Projects	Taung Ext 5, Pudimoe Location	2,520,400	2,837,500
0100 - TECHNICAL	Machinery & Equipment	Satelite Workshop tools - Taung	150,000	
	Vehicles	LDV 2.4	200,000	350,000
0110 - ROADS	Machinery & Equipment	Equipment for grader	150,000	
	Land & Build Infrastructure	Roads (Modimong/Cokonyane)	2,000,000	
	Office Furniture	Office Furniture	20,000	
	Vehicles	Big machinary	170,000	2,340,000
0130 - SEWERAGE	Machinery & Equipment	1 Sewer Truck	950,000	
	Land & Build Infrastructure	Waste water Systems (new/upgrade)	3,000,000	3,950,000
0140 - REFUSE	Office Equipment	Computers & Software	20,000	
	Land & Build Infrastructure	Refuse cages Industrial	1,000,000	
	Office Furniture	Office Furniture	20,000	
	Machinery & Equipment	Refuse Trailors & poison sprayers	510,000	
	Vehicles	LDV 2.4	200,000	1,750,000
0170 - MUN MAN	Office Equipment	Computers & Software	20,000	
	Office Furniture	Office Furniture	20,000	40,000
0180 - FINANCE	Office Equipment	Financial System	2,600,000	
	Office Furniture	Office Furniture	20,000	2,620,000
0230 - CORPORATE	Office Equipment	Computers & Software	20,000	
	Office Furniture	Office Furniture	20,000	40,000
0240 - MAYOR	Office Equipment	Computers & Software	20,000	
	Office Furniture	Office Furniture	20,000	40,000
0250 - SPEAKER	Office Equipment	Computers & Software	20,000	
	Office Furniture	Office Furniture	20,000	40,000
0260 - PARKS	Office Equipment	Computers & Software	20,000	
	Office Furniture	Office Furniture	20,000	
	Plant & Equipment	lawn mower	50,000	
	Land & Build Infrastructure	1 Park (to identify)	1,000,000	1,090,000
TOTAL			17,447,500	17,447,500

OPERATIONAL BUDGET

The total operational budget for the financial year 2010/2011 equal to R85 853 366.

The equitable share to be received on the operational budget 2010/2011 equal to R72 436 000. A detailed operational budget is attached as annexure. Areas with which the operational budget will be utilized for includes:

- Salaries, wages and allowances
- Councilors remunerations
- Repairs and maintenance
- General expenditure.

Legislation

Below are the legislative requirements that guide the budget preparation process:

Municipal Structure Act

The Municipal Structure Act (No. 117 of 1998) as amended, under section 44: Functions and Powers of Executive Committee, states that the Executive Committee must:

- a) Identify the needs of the Municipality.
- b) Review and evaluate those needs in order of priority.
- c) Recommend to the municipal Council strategies, programmes and services to address priority needs through the integrated development plan and estimates of revenue and expenditure, taking into account any applicable national and provincial development plans.
- d) Recommend or determine the best methods, including partnership and other approaches, to deliver those strategies, programmes and services to the maximum benefit of the community.

Legislation also requires municipalities to compile operating and capital budget on an annual basis. The operating and capital budgets must balance (i.e. may not reflect a deficit) and must be prepared in accordance with the integrated development plan.

Municipal Finance Management Act

Section 16(2) of the Municipal Finance Management Act No. 56 of 2003, (MFMA) dealing with legislative compliance regarding the tabling of the annual budget states inter alia that:

“The Mayor of the municipality must table the annual budget at a council meeting at least 90 days before the start of the budget year.”

Section 21(1) of the MFMA, which deals with the budget preparation process, stipulates that the Mayor must:

- a) Co-ordinate the processes for preparing the annual budget and for reviewing the municipality's integrated development plan and budget-related policies to ensure that the tabled budget and any revisions of the integrated development plan and budget-related policies are mutually consistent and credible.
- b) At least 10 months before the start of the budget year, table in the municipal council a time schedule outlining key deadlines for:
 - I. The preparation, tabling and approval of the annual budget.
 - II. The annual review of:
 - The integrated development plan in terms of section 34 of the Municipal Systems Act.
 - The budget related policies.
 - III The tabling and adoption of any amendment to the integrated development plan and the budget related policies.
 - IV Any consultative processes forming part of the processes referred to in sub-paragraph (i) (ii) and (iii).

The approval of the Budget is regulated by section 24 of the MFMA, which states as follows:

- 1) The municipal council must least 30 days before the start of the budget year consider approval of the annual budget.
- 2) An annual budget:
 - a) Must be approve before the start of the budget year.
 - b) Must be approved together with the adoption by the council of the resolutions as may be necessary for:
 - i) Imposing any municipal tax for the budget year.
 - ii) Setting any municipal tariffs for the budget year.
 - iii) Approving measures performance objectives for each vote in the budget.
 - iv) Approving any changes to the municipality's integrated development plan and approving any changes to the municipality's budget-related policies.

4.2 Budget Schedules

The following budget schedule are attached

- a) Schedule 1 – Revenue by source

The schedule reflect by source of revenue the budgeted amount inclusive revenue which amount to R92 934 917 for the 2010/2011 financial year.

- b) Schedule 2 – Operating expenditure by vote

The Municipality defines the vote to be referring to the Strategic Business Unit. Within the vote transfer of fund can be shifted and if it requires another vote, item has to approve by Mayoral Committee. The total operating budget for the 2010/2011 financial year equal to R85 853 366.

- c) Schedule 3 – Capital expenditure by vote

The schedule present capital budget of R55 329 196 for financial year 2010/2011 per vote. Previous years accumulated surplus to fund capital assets amounts to R9 595 949. Current year realistic anticipated revenue to fund assets amounts to R7 851 551

- d) Schedule 4 – Capital funding by source

The schedule represent the source of funding for capital expenditure is attached as annexure.

The following charts are included under the annexure.

- Revenue by major source
- Revenue by minor source
- Operating expenditure by major vote
- Operating expenditure by minor vote
- Capital expenditure by major vote
- Capital expenditure by minor vote
- Capital funding by source
- Operating expenditure by major type
- Operating expenditure by minor type

5 Supporting Documentations

5.1 Budget Process overview

Section 53 (1) of the MFMA stipulates that the mayor of a municipality must provide general political guidance over the budget process and the priorities that guide the preparation of the budget.

Section 21(1) of the MFMA states that the Mayor of a municipality must coordinate the processes for preparing the annual budget and for reviewing the municipality's integrated development plan and budget-related policies to ensure that the tabled budget and any revisions of the integrated development plan and budget-related policies are mutually consistent and credible.

Furthermore, this section also states that the Mayor must at least 10 months before the start of the budget year, table in municipal council, a time schedule outlining key deadlines for the preparation, tabling and approval of the annual budget.

The IDP/Budget process plan as presented is developed in view of the fact that the municipality is the closest interface between community and government (all three spheres), to consult communities on matters of national and provincial functions. This process will lead to the formulation of Integrated Development Plan/Budget that includes the needs of the community with respect to local services provided by all three spheres of government. The process plan hereunder details the program to be followed during the IDP review process, while also ensuring that the budget is informed by the plan:

5.2 Alignment of Budget with IDP

VISION

A Healthy And Wealthy Greater Taung To Ensure A Happy Community That Has Overcome
The Battle Against Poverty

MISSION

To Promote Sustainable Socia-Economic Growth And Development Through Mining, Agriculture
and Tourism

VALUE STATEMENT

Ubuntu
Professionalism
Accountability
Batho Pele Principles

IDP Strategic Objectives

Greater Taung Local Municipality has adopted the Turn Around Strategies approach to inform both the IDP and resource allocation (budget process). Integrated Development Plan is the principal strategic planning tool that guides and informs all planning, development and decision-making in the municipality. Poverty eradication and job creation are critical ingredients of sustainable economic development. The integrated development plan has a number of clear objectives and intended impacts such as consultative process, strategic process and implementation-oriented process. The primary objective of the IDP is to accelerate service delivery by providing a framework for economic and social development.

Greater Taung Local Municipality's development plan needs is aligned with National and Provincial initiatives to ensure optimal impact from the combined efforts of government. In this regard there are five critical elements: Accelerated and Shared Growth-South Africa (ASGI-SA), National Spatial Development Perspective (NSDP), National Strategy for Sustainable Development (NSSD), Provincial Growth and Development Strategy (PGDS) and Provincial Spatial Development Framework (PSDF).

All these feed into and influence the Integrated Development Plan.

Municipal Transformation and Organizational Development

This key performance area focuses on the availability and implementation of programmes that transform the municipality to cope with the ongoing and ever-changing community needs as well as being a learning organization. Institutional transformation is necessary condition to achieve the strategic objectives of the developmental governance. The key performance indicators under this key performance area as follows:

- Organizational design (Organogram that is linked to the organizational strategy)
- Employment Equity issues.
- Skills Development (Institutional Skills Development)
- Integrated Development Planning (Integration of strategic frameworks)
- Performance Management System
- Administrative and institutional Systems and structures

Infrastructure Development and Services Delivery

The delivery of basic services and provision of infrastructure is the most important element of poverty eradication. The council noted the fact that the provisions of economic and social infrastructure to communities facilitate the local economic development. This key performance area focus on services rendered directly to the communities, such as water, sanitation, electricity, solid waste management, environmental management, roads, housing and community facilities. The council has resolved to accelerate the provision of these services, especially water, sanitation and electricity through three-year budgeting cycle.

Local Economic Development

This key performance area focuses on the measure that the municipality will apply to promote the local economy. The measures such as how to implement the supply chain management in terms of SMME development, Broad Based Black Economic Empowerment, Poverty alleviation initiatives and job creation initiatives. It further put emphasis on the attraction and retention of investment, SMME support, provision of basic needs, skills development and the implementation of the affirmative procurement framework and labour intensive program.

We have identified competitive advantages to bolster “logistic hub initiative”. These include implementation of the inner urban renewal programme, initiating of he regional shopping centre, the regional transport hub and agro-processing, mineral beneficiation centre and the international convention centre. We are implementing Extended Public Works Program to facilitate economic growth, skills development and acceleration of infrastructure investment.

Municipal Finance Viability and Management

Council has adopted the sustainability as one of the key performance area. This key performance area put emphasis on the interconnection between the institutional, social, environmental and financial arrangement of the implementation of any program and project in the municipality. Sustainability in terms of the above-mentioned aspects informs the action plans of the municipality to ensure the provision and maintenance of sustainable infrastructure to communities.

Good Governance and Public Participation

It focuses primarily on the development and implementation of the systems and procedures that will ensure that the municipality promotes good governance and public participation in terms of the constitutional mandate. The core objective of this key performance area is to mobilize and empower local communities to take control of the process of social transformation. The most key performance indicators under this key performance area are as follows:

- Availability of communication strategy
- Citizen/customer satisfaction survey
- Service delivery improvement program
- Functional Ward Committee System
- Council System
- Corporate Governance (Audit Committee, Performance Audit Committee, Anti Corruption Strategy and Policy)
- Internal Audit

The core objective of this Key Performance Area is to ensure that we meet the needs of today without diminishing the capacity of future generations to meet theirs. Sustainable development implies a broad view of human welfare, long-term perspective about the consequences of today's activities, and global co-operation to reach viable solution. It is within this context that the Council has resolved to adopt best practices in all sectors to inform all development activities for sustainable development.

Core functions and Services provided

Section 152 of the **Constitution of the Republic of South Africa** – Act 108 of 1996 summarises the objects of Local Government as follows:

- a. To provide democratic and accountable government to local communities;
- b. To ensure the provision of services to communities in a sustainable manner;
- c. To promote social and economic development;
- d. To promote a safe and healthy environment; and
- e. To encourage the involvement of communities and community organisations in the matters of Local Government.

Development Duties of Municipalities:

A Municipality **must**:

- a. Structure and manage its administration and budgeting and planning processes to give priority to basic needs of the community and to promote the social and economic development of the community and;
- b. Participate in national and provincial development programmes.

In order to give effect to the above-mentioned Council has determined five (5) **Key Performance Areas** namely:

1. Municipal Transformation and Organisational Development
2. Infrastructure Development and Services Delivery
3. Promotion of Local Economic Development
4. Municipal Finance Viability and Management
5. Good Governance and Public Participation

RESPONSIBILITY and ACCOUNTABILITY

MUNICIPAL MANAGER'S OFFICE

Unit	Manager / Director	Phone No
Municipal Manager	Mr. Mpho Mofekeng (Acting)	053 994 9400

DIRECTORATE TECHNICAL SERVICES

Director, Technical Services	Mr. Lesego Nakana	053 994 9400
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DIRECTORATE SOCIAL SERVICES

Director Social Services	Mr Huma	053 994 9400
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DIRECTORATE CORPORATE SERVICES

Director, Corporate Services	Mr Jerry Mokhasi (Acting)	053 994 9400
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DIRECTORATE LAND USE, RURAL DEVELOPMENT & HUMAN SETTLEMENT

Director Land Use and Planning & Development	Mr Melumu	053 994 9400
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CHIEF FINANCIAL OFFICER

Chief Financial Officer	Mr Thom Nephawe	053 994 9400
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5.3 Budget Related policies Overview and Amendment

The following policies are reviewed for the purpose of the 2010/2011 budget.

Indigent Policy

Credit Control and Debt Collection Policy

Property Rates Policy

Direct Bank Deposit

The following policies will be reviewed during the financial year 2010/2011

Supply Chain Management

Asset Management Policy

5.4 Budget Assumptions

When preparing the budget for Greater Taung Local Municipality, considerations has been taken with respect to National Treasury circulars and guidelines. Circulars and Notice by Eskom and the Board of Sedebeng Water were taken into considerations in order to draw a credible and realistic budget as required by National Treasury. The municipality is not water service authority or provider but still provide water in Reivillo.

The critical assumption that was put on the budget was in respect of growth percentage increase which is estimated at 0.5% per annum.

During the 2009/2010 financial year, tariffs were increased by 5.6%. In order to fund the operational requirement for the Municipality the following increases are proposed:

Revenue Sources	2010/2011	2011/2012	2012/2013
Assessment Rates	0%	6.2%	5.9%
Water Services	6%	6.2%	5.9%
Electricity	15%	18%	5.9%
Refuse Removal	6%	6.2%	5.9%
Other Services	6%	6.2%	5.9%

5.5 Funding the Budget.

Total Funding

The total revenue source are clearly presented on the annexure.

5.6 Disclosure on Salaries, Allowance and Benefits

Supporting table is attached in respect of disclosure of salaries, allowance and benefit.

Councilors

On yearly basis the Minister of Local Provincial Government set the upper limit on determination councilor's allowance. The provision made on the 2010/2011 financial year is adequate for allowances and salaries for councilors. Cost of living (inflation) annual increase has been set at 8%. The payment of allowance to councilors will be made using the upper limit gazette available during payment of such allowances. The total budget for councilor allowance equal to R12 214 726.

Senior Officials

The total budget for 2010/2011 senior official employed in terms of section 57 of Municipal System Act equal to R4 586 664.

Other Municipal Staff

The total budget for other Municipal staff on 2010/2011 equal to R32 991 581.

The total budget in respect of councilors allowance and officials equal to R49 792 904.

5.7 Monthly Cash Flow by Source

Annexure is attached that present the monthly projection on cash inflow and outflow. No bridging overdraft will be required. Although anticipated collection of revenue fluctuates seasonally, it will not require Municipality to take bank overdraft.

5.8 Measurable performance objectives.

A detailed service delivery and budget implementation plan on the IDP which is to approved by Mayor shows the measurable performance objectives and annual target that each directorate should achieve and become part of the performance agreement for all section of employees.

5.9 Disclosure on implementation of MFMA and other legislation

The promulgation of the Municipal Finance Management Act has brought profound effect on the local government operations as it necessitated changes and transformation in financial planning process. The medium-term budget for 2010/2011 – 2011/2012 financial year is an expression of continuous process of improving the financial planning progress at municipal level and conform to formats and circulars sent by national Treasury.

Areas Identified in the MFMA

Integrated Development Plan

The plan guide the municipality in respect of budgeting process and take account of community need and their priorities in terms of the need identified and service gaps. Consultation with community and other stakeholder play major role in development of the IDP.

Budget

The budget process started in August 2009 when council approved the budget time schedule. The budget was submitted for tabling to Council on 31 March 2010. Approval of the budget is envisaged to take on 14 June 2010.

Annual Report

Annual report has been developed for 2008/2009 but a chapter on financial statement is unavailable as we await for audit report from Office of the Auditor General for annual financial statement 2008/2009.

In-year reporting

The municipality submit and provide financial report as required in terms of MFMA to various stakeholders as identified on an ongoing basis. The municipality has been implementing the provisions of the MFMA in accordance

Budget and Treasury offices

A budget and treasury office has been established in accordance with the MFMA. Supply Chain Management Unit report to the Chief Financial Officer. The position of Chief Financial Officer has been filled from April 2010.

Supply Chain Management

The Supply Chain Management Policy has be approved by Council. The unit of Supply Chain Management is headed by the SCM Manager who report to the Chief Financial Officer. Three bids Committees are in place the bid specification Committee, bid evaluation committee and bid adjudication committee.

Audit Function

The municipality has a shared Internal Audit Unit with the district, with audit charter, plan and programmes informed by District's plan.

5.10 Summary of Budgets and SDBIP's

The summary of SDBIP are presented on the Integrated Development Plan document.

6 Rates

Annexure for all rates and tariffs are attached with the recommended annual increases

7 Municipal Manager Certification

The budget presented before Council is credible in line with National Treasury's Circulars.

***GREATER TAUNG
LOCAL
MUNICIPALITY***

***TARIFFS
2010/2011***

SUNDRY CHARGES

PROPOSED TARIFFS 2010/11

REIVILO/TAUNG/PUDUMOE

DETAILS	2009/2010	2010/2011
Household Income (Indigent support)	2 020.00	2160.00
Clearance and Valuation Certificates	50.00	50.00
Drafting of contracts	88.00	88.00
Cash Fee – Payment with small cash	25.00	25.00
Interest on Arrear accounts	12 %	12 %
Deed Office Search	20.00	20.00
HIRE OF EQUIPMENT (per hour from municipal office and back)		
Tipper Truck (Wet Rate)		R200.00 per hour
Tracktor & Bushcutter		R200.00 per hour
Bushcutter		R100.00 per hour
Water Cart		R200.00 per hour
Pedestrian Roller		R100.00 per hour
Front end loader (TLB) (Wet rate)	R550.00 per hour	R300.00 per hour
Concrete cutter (Wet rate)	R330.00 per hour	R100.00 per hour
Graders (Wet rate)	R550.00 per hour	R400.00 per hour
Compactor		R100.00 per hour
PLACEMENT OF POSTERS		
Posters	R110.00(not refundable)	R110.00(not refundable)
Advertisement Boards(less than 2m x 1m)	R220.00 pm per board	R220.00 pm per board
Advertisement Boards (exceeds 2m x 1m)	R330.00 pm per board	R330.00 pm per board
LIBRARY LEVIES (for local members)p.a.	R20.00	R20.00
Fax Charges Sent per page	R6.00	R6.00
COUNCIL COMMUNITY PROPERTIES		
*Hostel Rent (per month) new hostel	R110.00	R110.00
*House Rent (per month)	R165.00	R200.00
*Pavement Hawkers pm	R11.00	R11.00
* Hawkers Kiosk Big pm	R66.00	R66.00
*Hawkers Stall – Big pm	R110.00	R110.00
*Hawkers Stall – Small & Portable Kiosk pm	R55.00	R55.00
*Tempoirary Struckture (shack) pm	R110.00	R110.00
SPORT STADIUMS & SWIMMING POOL		
Per booking : Deposit (refundable)	R500.00	R500.00
Hire	R70.00	R100.00

PLUS Sundry Electricity (Lights)	R250.00	R250.00
School Athletics + Deposit (see top)	R500.00 (+500)	R500.00 (+500)
Sports practices a. Basketball, Tennis, Softball b. Other sports practices c. Tournaments	R220.00+ Indemnity fee R500.00	R220.00+ Indemnity fee R500.00
Caravan stand – Reivilo (water & elec incl)	R35.00 per day	R35.00 per day
Jazz Sessions	R220.00 + R500.00	R250.00 + R500.00
Weddings	R220.00 + R500.00	R250.00 + R500.00
Bash & Disco's	R2200.00 + R1000.00	R2500.00 + R1000.00

DETAILS	2009/2010	2010/2011
CEMETERY		
1. Right of burial on a site within four days of death: (a) deceased or his/her relative is a resident of Greater Taung - Self dug - Municipal grave (b) Non-residents (b) In all other cases (i.e. Paupers)	R55.00 R220.00 R385.00 R275.00	R55.00 R220.00 R385.00 R275.00
2. Burial does not take place within four days of death: (a) Additional booking fee (Renting of grave pm)	R2.00	R2.00
3. Issuing of tombstone or memorial stone permit	R55.00	R55.00
4. Reopening of a 2-in-1 grave	R220.00	R220.00
5. Transfer right of burial or duplication of any document	R22.00	R22.00
6. Additional amount payable if burial held on Saturday or Sunday and Municipal Personnel close the grave	R165.00	R165.00
LAND		
Rezoning to Residential to – 500 sqm - 1200 sqm - 2000 sqm - 2000 + sqm	R480.00 R570.00 R700.00 + R200 for every 500 sqm above 2000	R480.00 R570.00 R700.00 + R200 for every 500 sqm above 2000
Rezoning to Commercial / Business & Industrial - 500 sqm - 1200 sqm - 2000 sqm - 2000 + sqm	R510.00 R650.00 R890.00 +R250 for every 500 sqm above 2000	R510.00 R650.00 R890.00 +R250 for every 500 sqm above 2000
Serving of notice (up to 5 letters, Registered) (up to 12 letters, Registered)	R110.00 R205.00	R110.00 R205.00
Zoning Certificate	R15.00	R15.00
Environmental Impact Assessment	R480.00	R480.00
Amendment / deletion of conditions of approval	R155.00	R155.00
Site Development Plant	R350.00	R350.00
Removal / Suspension of Title Deed restrictions	R390.00	R390.00
Extension of validity period of a LUPO approval	Half of fee	Half of fee
Subdivision - up to 4 erven - up to 10 erven - for every 10 after first 10	R500.00 R750.00 R300	R500.00 R750.00 R300
Hostel Rent	R110.00	R110.00

	2009/2010	2010/2011
HALL USAGE		
Meetings (excluding council activities)	R110.00 Indemnity R500	R120.00 Indemnity R500
Church services Church service + Kitchen	R110.00 Indemnity R500 R150.00 Indemnity R500	R120.00 Indemnity R500 R150.00 Indemnity R500
Music comp, e.g. schools, churches, gospel choir Disco Dance, Bash, Jazz Beauty Contest Festivals (including sports stadium) involving national artists Cancellation of bookings fee 10% of deposit	R385.00 + R1000 refundable R1100.00Hire + R1000 Indemnity R385.00Hire + R1000 Indemnity R2200.00Hire + R1000 Indemnity	R400.00 + R1000 refundable R1100.00Hire + R1000 Indemnity R400.00Hire + R1000 Indemnity R2500.00Hire + R1000 Indemnity
Kitchen + Kitchen utensils – PER DAY	R500.00	R500.00
Banquets, Traditional Evenings Valentine, Everybody's birthday etc	R175.00 Indemnity R500	R175.00 Indemnity R500
Weddings and Anniversaries	R275.00 Indemnity R500	R275.00 Indemnity R500
NGOs	R110.00 Indemnity R500	R120.00 Indemnity R500
PHOTOCOPIES AND PRINTING		
Electronic Copy on cd	R15.00	R15.00
Colour Copy A4	R5.00	R5.00
Colour copy A3	R10.00	R10.00
Black copy A4	R1.00	R1.00
Black copy A3	R2.00	R2.00
Colour Printing A4	R5.00	R5.00
Colour Printing A3	R10.00	R10.00
Colour Printing A1	R15.00	R15.00
Colour Printing A0	R20.00	R20.00
Tender Fee	AS DESCRIBED	AS DESCRIBED

Council boardrooms at EXCO and Administration Offices should not be rented out to members of the public. They should be reserved for council and personnel meetings only.
NOTES

CEMETERY

Where burial does not take place within four days of death, an additional Booking fee of R2.00 per calendar month or portion thereof is payable subject to the following terms and conditions:

- a. Booking fee will be payable in advance for a calendar year, and within one month after the expiry date, and no monies paid will be refunded
- b. Booking fee will be payable until written notice of cancellation is received, or until a burial on the site has been effected, or until a tombstone as approved by the Council, is erected on the site. In any of such circumstances monies paid in advance will be refunded should application therefore be applied for within six months.

WATER AND ELECTRICITY

(a) Service Connection

Tariffs will be applicable for a connection on the street boundary of the property closest to the power supply pole or other connection point where the connection will be done. The costs of additional cable or conductors will be added.

For the first independent connection at the property:

-Actual cost PLUS 10%\

For the connection where there is an existing cable or use of an overhead conductor

-Actual cost PLUS 10%

For the conversion of single to three-phase (or reverse)

-Actual cost PLUS 10%

For the shifting of a meter case and equipment:

- i. Actual costs PLUS 10% (minimum of R120.00)

(b) Payment of Availability Charges - Electricity

The basic minimum monies is R181.06 per empty property per year and is payable before 30 September.

(c) Two User by Community Meter

Where circumstances dictate that two users' electricity is registered by one meter, the amount payable by the user on the furthestmost point be subtracted from the amount payable by the other user

- (d) Where any monies remain unpaid after the period wherein such monies were due, interest will be charged at the standard interest rate determined by council for each month that such monies remain unpaid.

GREATER TAUNG LOCAL MUNICIPALITY

PROPOSED TARIFFS 2010/2011 (VAT IS NOT INCLUDED)

REIVILO

ELECTRICITY

	2009/2010	2010/2011
(a) Basic Levy		
E000 Indigent Registered (50 units free)	0.00	0.00
E001 Tariff per unit	0.00	0.00
E002 Household Tariff per month	70.28	70.28
E003 Availability per year	181.06 p.a	181.06 p.a
E004 Three-phase & Business per month	115.12	115.12
E005 Large Users	381.93	381.93
E006 KVA	77.81	77.81
(b) Units (energy)		
E000 Indigent Registered cents per unit (first 50 units free)	49.00	56.00
E001 cents per unit (tariff without basic charge)	71.38	82.00
E002 cents per unit (Households)	44.60	51.00
E004 cents per unit (Three Phase & Business)	44.60	51.00
E005 cents per unit (Large Users)	36.85	42.00
© Boipelo High mast lighting per month	7.50	7.50
(d) Consumer Deposit (refundable)	500.00	500.00
Reconnection fee	100.00	100.00

REIVILO

WATER

	2009/2010	2010/2011
0 – 6 kl (only households)	Free	Free
0 – 6 kl Business	2.37	2.51
7 – 39 kl	2.37	2.51
40 – 79 kl	3.21	3.40
80-119	4.00	4.24
120+ kl	4.77	5.05
Community Centres		
100 kl	0.95	1.00
100+ kl	2.01	2.13
Portable Water per 10 kl water tank	50.16	52.63
Reconnections	100.00	100.00
Water connections performed by Municipality	Actual + 10%	Actual + 10 %
(Municipality provides water pipelines up to the meter + 2 m pipe and tap)		

SCHEDULE
(VAT NOT INCLUDED)

REFUSE REMOVAL

REIVILO/PUDUMOE/TAUNG

	2009/2010	2010/11
Household (flats extra if on one site)	30.03	31.83
Building rubbles removal	132.00	140.35
Household per annum (x12)	360.36	381.96
Additional Refuse for businesses per month	30.03	31.83
Hospital Refuse per point per month	72.35	76.70
Schools, Hostel per month & other big dept /point	30.03	31.83
Clinic Refuse (including rural)		
- within 10km radius	72.35	76.70
- outside 10km radius	72.35+R8.00/km	76.70+R8.00/km

SCHEDULE
(VAT NOT INCLUDED)

SEWERAGE & DRAINAGE

REIVILO/PUDIMOE/TAUNG

	2009/2010	2010/2011
Household per month on system	28.79	30.52
Septic tank per 4,5 kl per load	28.79	30.52
Taung per load of 5 kl (septic tank)	72.40	74.56
School, Hostels & Hospitals & Big Inst connected line pm	603.11	732.48
Sewerage (septic tank) outside service boundary + km charge	72.40	74.56
Sewer Connection	R100.00	R100.00
Residential Blockage PER HOUR	R40.00	R40.00
Commercial Blockage PER HOUR	R70.00	R70.00
Sewerage removal Taung, within 10km radius (VAT incl)	R72.40	R74.56
- Outside 10km radius – Taung, Pudimoe & Reivilo	R72.40 + R8.00/km	R74.56 + R8.00/km

GREATER TAUNG LOCAL MUNICIPALITY

NOTICE OF GENERAL RATE OR RATES AND OF FIXED DAY FOR PAYMENT IN RESPECT OF THE FINANCIAL YEAR 1 JULY 2010 TO 30 JUNE 2011

Notice is hereby given in terms of Sections 7, 8, 9 & 10 of the Local Government Municipal Property Rates Act, 2004 (Act 6 of 2004), that the following rates shall be levied in respect of the above mentioned financial year on ratable properties recorded in the valuation roll for all properties situated within the area of jurisdiction of Greater Taung Municipality.

1. (a) On the market value of any land R0,02352. In terms of Section 15(1) (2) (3) of Property Rates No.6 of 2004, exemptions, reduction and rebate on the general rate levied on ratable property as described in Annexure A of Rates Policy. (Schedule attached)
- (b) Tariff for agricultural land – R0.00588. In terms of Section 15(1) (2) (3) of Property Rates No.6 of 2004, exemptions, reduction and rebate on the general rate levied on ratable property as described in Annexure A of Rates Policy. (Schedule attached)
2. The amount due for rates as contemplated in terms of Section 11 (Property Rates Act No.6, 2004) shall be payable before the due date in eleven (11) equal installments from the fixed day, which is 1 July. Due date for annual payments will be 30 September of each year. Interest will be levied from 1 October according to approved tariffs.

SCHEDULE A

SCHEDULE OF REBATES ON PROPERTY RATES

Category/Description	Proposed rebate	Council's adopted rebate
State Properties		
Residential Properties	20%	
Residential Properties with market value less than R35 000	100 %	
Indigent Owner	100 %	
Farm owner - Land used for farming – not business	85 %	
<u>Retired and disabled person on residential properties only :</u>		
➤ Owner with income less than R 2 500 per month	40%	
➤ Owner with income between R 2 501 and R 3 500	20%	
➤ Owner with income between R 3 501 and R 5 000	10%	

GREATER TAUNG LOCAL MUNICIPALITY



INDIGENT POLICY

INDIGENT SUPPORT POLICY

1. PREAMBLE

Section 74 (2) (c) of the Municipal Systems Act, Act 32 of 2000, as amended requires municipality to provide poor households with access to at least basic services through -

- (a) Tariffs that cover only operating and maintenance costs;
- (b) Special tariffs or life line tariffs for low levels of use or consumption of services or for basic levels of service; or
- (c) any other direct or indirect method of subsidisation of tariffs for poor households.

The Greater Taung Local Municipality understands the plight of its poor households and therefore the indigent policy would be adopted by the municipal council to provide basic services to the poor households.

2. DEFINITIONS

For the purpose of this Policy the following words and expressions shall have the corresponding meaning, unless the context clearly indicates otherwise:

“Chief Financial Officer” means such municipal official appointed in terms of section 57 of the Municipal Systems Act, 2000 and administratively in charge of the budget and treasury office;

“Credit Control and Debt Collection Policy” means the Credit

Control and Debt Collection Policy of a municipality as adopted by Council in terms of section 96(b) of the Municipal Systems Act, 2000 as amended;

“Council” means the municipal council of the Greater Taung Local Municipality in terms of section 18 of the Municipal Structures Act, 1998 as amended;

“Customer” means the owner or occupier of property or premises, liable to the Council for payment of a Municipal Account or part thereof;

“Greater Taung Local Municipality” means such municipality established in terms of section 12 of the Local Government Municipal Structures Act, 1998 (Act 117 of 1998);

“indigent” means a household who cannot afford to make a full monetary contribution towards rates and service charges as determined by council;

“Municipal Account” means an account in terms of section 3 of the Credit Control and Debt Collection Policy;

“Municipal Systems Act” means the Local Government Municipal Systems Act, 2000 (Act 32 of 2000) as amended;

“Municipality” refers to the Greater Taung Local Municipality.

3. OBJECTIVE OF THE POLICY

- 3.1 The policy is developed in order to ensure that the provision of basic services to the community in a sustainable manner, within the financial and administrative capacity of the council; and
- 3.2 to provide procedures and guidelines for the subsidization of basic service charges to its indigent household, using the council's budgetary provisions received from central government in accordance with prescribed policy guidelines.

4. DETERMINATION OF SUBSIDY

- 4.1 The subsidy for each service rendered by Greater Taung Municipality will be determined by Council from time to time. Such determination will take into account the National allocated funds and revenue generated or to be generated by the district. The process will form part and parcel of the budget process of Greater Taung Local Municipality.

5 TARGET OPTION

The targeted community will be a household where the combined or joint gross income of all occupants/ residents/ dependants over the age of 18 years or who have potential earning capacity, is less than the threshold per month as approved by council or the national norm and can no longer afford to pay for the services provided by the council (subject to verification by ward councilor in consultation with the Ward committee).

6. RESPONSIBILITY OF THE MUNICIPALITY

- 6.1 The municipality accepts that the improvement of the general social welfare of the community is a governmental responsibility and therefore is committed to this objective.
- 6.2 The municipality shall register all poor households who qualify for indigent support.
- 6.3 The municipality shall establish and maintain a register of all indigent households residing within its area of jurisdiction.
- 6.4 The municipality shall within its financial and administrative capability render basic services to the indigent households.
- 6.5 The municipality shall every year during the annual budget process determine the following;
 - (a) the maximum kilolitres of free basic water to be provided;
 - (b) the maximum kilowatts (kWh) of free basic electricity to be provided;
 - (c) the exemption on property rates in terms of the Property Rates Policy;
and
 - (d) the free basic services on refuse removal and sanitation.

7. QUALIFICATION CRITERIA

- 7.1.1 The municipal council shall every year during the approval of the budget set the household monthly gross income threshold **(R2 160.00)** of a household that qualifies for indigent support.
- 7.1.2 The monthly gross income of a household shall be inclusive of income earned by all members of the family living in a premises or a property.

8 REGISTRATION REQUIREMENTS

8.1.1 The poor households meeting the qualification criteria set out in section 5 shall apply at the municipal offices or any other places designated by the municipality.

8.2 The application and registration process shall be as follows;

- (a) The poor household which is already in the system of Free Basic System shall collect the affidavit form from the municipality and stamp it at South African Police Service.
- (b) The affidavit form shall be signed by Ward Councillor as a proof that the status of the household has been verified by the Ward Committee;
- (c) The applicant shall attached proof of monthly income or in case of unemployed applicant, a proof of their registration as unemployed from the Department of Labour or an affidavit certified by a Commissioner of Oath;
- (d) In case of, the applicant being a spouse or dependent of a deceased owner of a property a death certificate should be submitted with the application form; and
- (e) The affidavit shall be accompanied by a copy of the identification document (ID) of the applicant;

9. SCREENING PROCESS

9.1 The municipality shall put in place mechanisms to verify the socio-economic situation of all applicants.

9.2 Fraudulent applicants shall be disqualified, the rebates and subsidies granted by the municipality shall be withdrawn, and legal steps shall be instituted against such offender.

10. APPROVAL OF INDIGENT APPLICATION

- 10.1 The approval of the indigent application shall be the responsibility of the Chief Financial Officer or his/her Delegated Official(s).
- 10.2 The Chief Financial Officer shall before end of August of every year submit a report to the municipal council with regard to indigent register and the indigent household debts to be written off as irrecoverable.
- 10.3 All approved indigent households will be entitled to a maximum subsidy as approved by Council from time to time to cover basic services.
- 10.4 Council will determine the amount of targeted subsidies on a yearly basis which may vary between categories of indigent consumers.
- 10.5 If the indigent consumption or use of a municipal service is less than the subsidized service or free basic service, the unused portion may not be accrued by the customer and will not entitle the customer to cash or a rebate in respect of the unused portion.
- 10.6 If an indigent customer's consumption or use of a municipal service is in excess of the subsidized service or free basic service, the customer will be obliged to pay for such excess consumption at the applicable rate.

11. RE-REGISTRATION PROCESS

- 11.1 The poor household shall remain the indigent household for a period of twelve (12) months unless the economic situation of the household changes within the twelve months then the household shall no longer qualify for the indigent support and therefore the normal tariffs for services will apply.

- 11.2 The poor households shall be required to renew their indigent status on an annual basis between **November** and **February** every year however new applications can be submitted anytime during the year.

12. MUNICIPAL ACCOUNT / CREDIT CONTROL

- 12.1 The indigent household shall receive a municipal account on a monthly.
- 12.2 The municipal account shall reflect the amounts charged for different services and rates, and also the rebates and subsidies granted.
- 12.3 The indigent household shall be responsible for payment of the amount due as per the municipal account.
- 12.4 The Credit Control and Debt Collection Policy shall be enforced on the indigent accounts that are not paid on a regular basis.
- 12.5 The municipality shall where the indigent account is in arrears and remains an indigent for a fixed period of twelve (12) months, write off the debt on the indigent account as irrecoverable.

13. SOURCE OF FUNDING

All indications are that the National Equitable share grant will be used to subsidize the indigents.

Greater Taung Local Municipality may have to provide funds annually from its own generated revenues on the budget for the subsidization of indigent households.

14. INDIGENT TARIFFS AND SUBSIDY

- 14.1 The Council may, as part of the budgetary process, determine an indigent tariff that will be charged to indigent households to recover only maintenance and operational costs.

14.2 The Council will determine the indigent subsidy from time to time based on the equitable share received from the National government and the poverty threshold as well as any subsidization that can be possible in the tariff structure.

14.3 Indigent tariff will be charged in terms of the Council's tariff policy.

15. TERMINATION OF INDIGENT SUPPORT

15.1 Indigent support will be terminated in the case where:

- a) The account holder dies
- b) When the indigent sells his/her property
- c) When the indigent's circumstances change or indigent criteria for approval changes to an extent that approval no longer applies.
- d) If the indigent fails to pay for the account of his/her consumption or use of a municipal service in excess of the subsidized service or fails to honor any arrangements made by him/her for payment of outstanding account.
- e) If it is discovered later that indigent has supplied fraudulent or false information on registration.
- f) The indigent account holder fails to renew status after the validity period of status being granted.

16. BASIC SERVICES OFFERED TO THE INDIGENT

16.1 Subject to funds being allocated and the relevant criteria being adhered to, indigent support is to be provided for the following services

- a) Rates
- b) Sewerage
- c) Refuse
- d) Water ; and
- e) Electricity

16.2 the council can determine special tariffs for the use by the indigent subject to the availability of funds and compliance with the prescribed criteria. The relevant services include

- a) Sports grounds, pools
- b) Fire protection
- c) Pensioners (where possible)
- d) Agricultural properties
- e) Hiring of halls
- f) Cemeteries and crematoria ; and
- g) Mayor's relief fund.

17. INSTITUTIONAL ARRANGEMENT / CONTROL SYSTEMS FOR INDIGENTS

- 17.1 The Chief Financial Officer or his/her nominee should administer the indigent support programme.
- 17.2 Applications should be scrutinize prior o approval after verification by the ward councilor, in consultation with the ward committee.
- 17.3 The status and complete details of the applicants and respective beneficiaries are to be submitted to the council for noting periodically.
- 17.4 For the purpose of transparency, on a monthly basis, the following key information of the recipient's indigent support should be available on request
 - a) Names of households receiving relief for the prescribed period
 - b) Stand number wher services are rendered to the recipients
 - c) Total household income; and
 - d) Number of dependants residing on the property.
 - e) Any resident may query the qualification of a recipient in writing, within 14 days from the date of publication, to the council.
- 17.5 Any other measure decided by the council.

18. ACTION AGAINST MALPRACTICES

- 18.1 The council refer queries to the Municipal Manager, who may take the following:
 - I. Request the resident to provide full proof of his/her banking account and income details as well as proof of pension registration
 - II. Direct inquiry at the recipient's residence

- III. Request a social welfare worker's report on the household; and
- IV. Any other action decided by the council

18.2 If it is established that the incorrect information was furnished in obtaining relief the following action(s) are to be taken

- I. Suspend or stop the relief immediately
- II. Recover the amount of relief furnished from the recipient by debiting his/her account
- III. Apply normal credit control in accordance with the council's credit control policy; and
- IV. Institute a criminal charge of fraud against the recipient.

19. DISCRETIONARY POWERS

The council has the discretionary powers to amend any clause, stipulation or tariff embodied in the indigent support policy in the interest of the parties concerned.

20. SHORT TITLE AND COMMENCEMENT

This Policy will be known as the Indigent Support Policy and shall commence on a date of adoption by the Municipal Council.

GREATER TAUNG LOCAL MUNICIPALITY



POLICY RECEIPTING, DEPOSITING AND CONTROL OVER CASH FUNDS

RECEIPTING, DEPOSITING AND CONTROL OVER CASH FUNDS

The overall control over cash is of utmost importance due to the nature of this resource as theft and possible fraudulent transactions are always a possibility. Cash is defined as: Actual cash, cheques, postal orders, and direct deposits into the council's bank account.

The Council's policy regarding receipt, depositing and control over cash is the following:

1. The Council must be properly insured against theft, fraudulent transactions etc. regarding the cash funds kept on the premises of the Council. Fidelity guarantee insurance must also be taken out in respect of employees handling council funds.
2. Cash on hand must be kept in a fire proof lockable safe during the periods that it is not under the control of the cashier. The divisional head – revenue or the approved delegated official is responsible for the cash during the periods that it is kept in the lockable safe.
3. All entries that lead to the cashier areas must at all times be locked to ensure that **unauthorised** persons do not gain entry.
4. The cashier is responsible for the control of cash in his /her possession during the day.
5. Cash float to the value of **R50.00** will be made available to the cashier.
6. Cash must be deposited on a daily basis at the financial institution as approved from time to time by the Council. Monies received must be deposited on the day following the day that money was received, except for the last working day of the week, where money received must be deposited on the first working day following the last working day.
7. Daily cash received must be verified for completeness and accuracy by the senior clerk or delegated official responsible for the cash received reconciliation function or the delegated employees. The person performing the checking function will be held liable for the errors or possible fraudulent transactions not detected while performing the checking function.
8. All daily cash received transactions must be captured onto the council's financial system on the day that the transaction occurred.
9. All computers generated and numbered receipt must be prepared for all cash received transactions. Manual receipts, pre-numbered, must be issued during periods that the computerised system is not in working order. These issued manual receipts must be captured onto the computer system the moment that the system is in working order. (Same day that the manual receipt was issued) It is the duty of the cashier to obtain the relevant information for such receipts from the responsible revenue clerks.

10. Manual receipts issued at the satellite offices must be captured onto the Council's financial system on the first working day following the day that the manual receipts were issued
11. Cancelled receipts must be authorised by senior clerk responsible for the cash received reconciliation or the delegated employee, before new receipts are issued. The original copy of cancelled receipt must also be filed with the particular day's cash received support documentation.
12. The information of all cancelled receipts must be captured into a cancelled receipts register on the same day that the receipts were cancelled. The person performing the daily checking function must verify this register for completeness on a daily basis
13. Access to the cash receiving function on the Council's financial system must be controlled by passwords. These passwords must be changed on a regular basis and must only be known to the cashier.
14. The cashier must pay in cash shortages on the day that the shortage is detected.
15. Surprise cash count against issued receipts by the supervisor and internal audit unit to be performed once quarterly and such proof will be documented and filled.
16. Receipts must be issued in respect of unknown cash surpluses if and when such surpluses are detected.
17. Cash shortages and surpluses must be reported to in writing to the head of division revenue by the senior accountant – revenue.
18. Cash shortages that occurred due to fraudulent actions and that were detected must be investigated and reported according to procedures as stipulated in the Municipal Financial Management Act or Financial bylaws.
19. The Council's book of account must be closed of at month end and be balanced to the relevant control accounts on or before the 31st, 10th, and 20th day of the month following the month end.
20. A monthly bank reconciliation must be compiled, and the responsible official must ensure that sundry income transactions that appear on the bank statements are captured onto the Council's financial system.
21. The Head of division revenue must ensure that the bank and cash on hand control accounts reconcile to the bank reconciliation cashbook balance on monthly basis.
22. The Chief Financial Officer is liable to ensure that sufficient cash funds will be available at all times to ensure that the Council will be able to trade as a going concern.

23. The keys of the various safes in the Revenue department where cash is kept must be controlled per key register. The head of division revenue will be responsible for this control function. Keys may under no circumstances be changed between the officials to whom keys were allocated, except with prior authorisation of the head of division revenue.

Under no circumstances may one official have access to the keys of the big walk in safe as well as the smaller fire safe.

The chief cashier will at all times be responsible for the keys to the fire safe.

24. All pre-numbered source documentation must be controlled by way of stationery register. The officials to whom stationery is issued must sign the stationery register as proof of receipt

GREATER TAUNG LOCAL MUNICIPALITY



VIREMENT POLICY

VIREMENT POLICY

Virement is the process of transferring budgeted funds from one line item number to another, with the approval of the relevant Manager and CFO, to enable budget managers to amend budgets in the light of experience or to reflect anticipated changes. (Section 28(2)(c) MFMA).

All virement proposals must be completed on the appropriate documentation and forwarded to the CFO for checking and implementation.

All virements must be signed by the Director of the directorate in which the vote is allocated. (Section 79 MFMA).

All virements should be approved in line with Council's System of Delegation.

Projected cash flows in the SDBIP should be adjusted in line with the virement.

All documentation must be in order and approved before any expenditure can be committed or incurred. (Section 79 MFMA).

The Municipal Manager will report to the Mayor on a monthly basis on those virements that have taken place during the preceding month.

All virements of funds between votes (directorates) must be approved by the Municipal Manager and reported to the Executive Committee on a monthly basis.

No funds can be viremented between the different types of budgets (E.g. virements can only be made from basic capital to basic capital and operating to operating).

No virement may be made where it would result in over expenditure of a line item. (Section 32 MFMA).

No virement shall create new capital projects without the approval of the Council in an adjustment budget.

Virement to or from the following votes are not permitted:

- (i) Salaries and allowances
- (ii) Depreciation
- (iii) Capital cost (Interest and redemption)
- (iv) Appropriations
- (v) Contribution to funds
- (vi) Administration cost
- (vii) Municipal services consumption (Water, Electricity, Refuse and Sewerage)

An approved virement does not give expenditure authority and all expenditure resulting from approved virements must still be subject to the procurement / supply chain management policy of Council as periodically reviewed.

Virements may not be made between Expenditure and Income.

No more than 10% of the budget may be moved to or from a vote, programme, project, etc.

This virement policy should be read together with the MFMA and MFMA Circular No. 51 dated 19 February 2010.

GREATER TAUNG LOCAL MUNICIPALITY



Credit Control and Debt Collection Policy

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PREAMBLE

Whereas Section 96(a) of the Local Government: Municipal Systems Act, No 32 of 2000 (herein after referred to as “Systems Act”), obliges the Municipality of Taung (“referred to as GTLM”) to collect all outstanding moneys that is due and payable to it, subject to the provisions of that Act and any other applicable legislation;

And whereas Section 96(b) of the Systems Act requires the municipality to adopt, maintain and implement a credit control and debt collection policy , which is consistent with its rates and tariff policies and complies with the provisions of the Act;

And whereas Section 97 (1) of the Systems Act stipulates what a credit control and debt collection policy must provide for;

Now therefore the following is adopted as the Credit control and Debt collection Policy of Greater Taung Local Municipality (herein referred to as “this policy”) as set out hereunder.

1. DEFINITIONS

For the purpose of this Policy the following words and expressions shall have the corresponding meaning, unless the context clearly indicates otherwise:

“Acknowledgement of Debt” means a form to be completed by a customer when is in default with a municipal debt;

“Application for Extension of Time for Arrear Payment” means a form to be completed together with the Acknowledgement of debt form when a customer applies for payment extension of the municipal debt;

“Chief Financial Officer” means such municipal official appointed in terms of section 57 of the Municipal Systems Act, 2000 and assigned roles in terms of section 81 of the Municipal Finance Management Act, no 56 of 2003;

“Credit Control and Debt Collection Policy” means the Credit

Control and Debt Collection Policy of a municipality as adopted by Council in terms of section 96(b) of the Municipal Systems Act, 2000 as amended;

“Council” means the municipal council of the Greater Taung Local Municipality in terms of section 18 of the Municipal Structures Act, 1998 as amended;

“Customer” means the owner or occupier of property or premises, liable to the Council for payment of a Municipal Account or part thereof;

“Delegated” means delegation in terms of section 59 of the Municipal Systems Act, 2000 as amended;

“Greater Taung Local Municipality” means such municipality established in terms of section 12 of the Local Government Municipal Structures Act, 1998 (Act 117 of 1998);

“Illegal Connection” means any connection or reconnection of a Property or Premises to the water and/or electricity reticulation network of the municipality, in contravention of this By-Law, any other by-law of the municipality, Act or Regulation;

“indigent” means a household who cannot afford to make a full monetary contribution towards rates and service charges as determined by council;

“Municipal Account” means an account in terms of section 3 of this Policy;

“Municipal Systems Act” means the Local Government Municipal Systems Act, 2000 (Act 32 of 2000) as amended;

“Municipality” refers to the Greater Taung Local Municipality;

“National Credit Act” refers to the National Credit Act, No 34 of 2005

“Notice of New Occupier” means a form to be completed by an owner of a property notifying the municipality about a new occupier of his/her property;

“Notice of Termination of Services” means a form to be completed by a customer when closing his/her municipal account;

“Notice of Vacation of Occupation” means a form to be completed by a customer when vacating a property

“Occupier” means a person who occupies a property premises or any part thereof, whether such occupation is lawful or otherwise;

“Owner” means a person, being the registered owner of a Property in terms of the Deeds Registries Act; 1937 (Act 47 of 1937);

“Person” includes a natural person and a juristic person;

“Premises” means a portion of a property, for which a separate municipal account is rendered;

“Property” means a property registered under separate title in terms of the Deeds Registries Act, 1937 (Act 47 of 1937);

“Service Agreement” means the Service Agreement in terms of section 4 of the Policy.

2. PURPOSE OF THE POLICY

The purpose of this Policy is to:

- 2(1) Ensure that all monies due and payable to Greater Taung Local Municipality in respect of rates, fees for services, interest accrued on any outstanding amounts due and payable in respect foregoing and any collection charges are collected efficiently and promptly;
- 2(2) Outline credit control and debt collection policy procedures and mechanisms;
- 2(4) Provide for conditions pertaining to the supply of services and the discontinuation thereof;
- 2(5) Provide for mechanisms whereby accounts or metered services are queried or verified and for written objections;
- 2(6) Provide for indigent support;
- 2(7) Provide for mechanisms where irrecoverable debts are written off;
- 2(8) Provide for matters relating to the unauthorised consumption of services , theft and damages;
- 2(9) Provide for the setting of setting of realistic targets consistent with generally recognised practices and collection rations and also the estimates of income set in the annual budget of Greater Taung Local Municipality less an acceptable provision for bad debts;
- 2(10) Provide for interest on overdue accounts;
- 2(11) Provide for extension of time for the payment of overdue amounts;

3. CUSTOMER CARE AND MANAGEMENT

- 3(1) The municipality shall conduct itself towards its customers in a manner that it is stipulated in section 95 of the Municipal Systems Act, 2000 which requires the municipality to, within its financial and administrative capacity;
- (a) establish a sound customer management system that aims to create positive and reciprocal relationship between persons liable for the payments for municipal services and the municipality;
 - (b) establish mechanisms for users of services and ratepayers to give feedback to the municipality regarding the quality of the services and the performance of the municipality;
 - (c) take reasonable steps to ensure that users of services are informed of the costs involved in service provision. The reasons for the payment of service fees and the manner in which monies raised from the service are utilised;
 - (d) where the consumption of services has to be measured, take reasonable steps to ensure that the consumption by individual users of services is measured through accurate and verifiable metering systems;
 - (e) ensure that persons liable for payments receive regular and accurate accounts that indicate the basis for calculating the amounts due;
 - (f) provide accessible mechanisms for those persons to query or verify accounts and metered consumption, and appeal procedures which allow such persons to receive prompt redress for inaccurate accounts;
 - (g) provide accessible mechanisms for dealing with complaints from such persons, together with prompt replies and corrective action by the municipality;
 - (h) provide mechanisms to monitor the response time and efficiency in complying with paragraph (g); and
 - (i) provide accessible pay points and other mechanisms for settling accounts or for making pre-payments for services. .,

- 3(2) Greater Taung Local Municipality will endeavour to ensure:
- a) Accurate metering of consumption at fixed intervals with the minimum delay between service connection and first and subsequent billing.
 - b) Where no reading can be obtained, estimations will be charged.
 - c) Accurate up –to-date customer information.
 - d) Accurate monthly billing with the application of appropriate correct tariffs and service charges.
 - e) Ensuring the timely despatch of accounts.
 - f) Adequate provision and the efficient operation of pay facilities throughout the municipality areas.
 - g) Arrangement of third parties institutions to accept payments on behalf of the municipality. Responsibility to ensure that payments are reflected on the accounts is vested with the debtor.
 - h) Appropriate hours of business to facilitate account payments.
- 3(3) Although the Greater Taung Local Municipality must render an account for the amount due by a debtor, failure thereof shall not relieve a debtor of the obligation to pay this amount.

4. MUNICIPAL ACCOUNT

- 4(1) The municipality shall monthly cause a municipal account, as reflected in the financial account relating to a property or premise, to be delivered to the customer in the manner provided for in section 10.
- 4(2) The Municipal Account shall reflect amounts due for the following:
- (a) The rates and services charge for a specific period;
 - (b) The interest charges for any overdue amount;
 - (c) Any other charges, levies and taxes due to the municipality; and
 - (d) The number of units consumed in relation to electricity and/or water consumed for a specific period.

4(3) The municipality may:

- a) Consolidate any separate accounts of debtors liable for payments due ;
- b) Credit any payment by such a debtor against any account of that debtor, and
- c) Implement any of the debt collection and credit control measures provided for these regulations in relation to any arrears on any of the accounts of such debtor.

5. SERVICE AGREEMENT

5(1) No municipal services shall be provided to any property unless a written agreement governing the supply and cost thereof has been entered into with the municipality subject to its administrative, logistical and financial capability.

5(2) Such an agreement shall be entered into by both the owner and occupier, where applicable. The owner shall bind himself/herself as surety and co- principal debtor in favour of the municipality for the fulfilment of the obligations of the occupier towards the municipality;

5(3) The owner and occupier shall be jointly and severally liable for payment of all services charges. It is the duty of the owner to ensure that at all times that the occupier of the premises are not in arrears with payments, but the Municipality shall within its financial and human resource constraints, make an endeavour to inform the owner of the performance by the occupier in terms of the agreement.

5(4) In case of service agreement by business entities, including but not limited to trusts, companies, close corporations, partnerships, sole proprietors and voluntary associations the municipality may require the agreement to be accompanied by any one or more or all of the following:

- (a) A resolution whereby authority to enter into the agreement is delegated to the signatory;
- (b) The business entity's registration number or ID number, if applicable;
- (c) The names, addresses and all relevant contact particulars of all the businesses' directors or members or trustees or proprietors or partners or executive members;

- (d) That any one or more or all partners/members/directors/trustees must sign as surety and co-principal debtor for the due fulfilment of all the obligations of the business entity;
- (e) That the signatory to the agreement warrants that he/she is duly authorised to do so, that all information supplied is true and correct and shall further warrant that the business is not trading in insolvent circumstances.

5(5) The Owner must inform the municipality of the vacation of the property or premise by an occupier on or before the date of vacation or as soon thereafter as the owner may become aware of such vacation, by submitting to the Council a Notice of Vacation of Occupation.

5(6) Should the owner or occupier be represented by an agent or other representative, such agent or representative must submit a power of attorney authorizing such agency or representation in a form and contents to the satisfaction of the Chief Financial Officer.

5(7) in completion of the new and existing services contract the following should be performed:

- I. New customer registration must be correctly administered with the fully completed legal contracts being duly signed
- II. Full concise details must be provided on application for a consumer agreement. All staff with customer contract must endeavour to update personal records whenever customers liaise with our offices.
- III. Certified copies of identity documents , company registration and resolutions are necessary for registration purposes and are used to determine, at the time of application, whether:
 - a) Other accounts are currently held and;
 - b) Debts are still outstanding on previous accounts
- IV. Upon registration, new debtors must pay a cash deposit to commensurate with risk as determined.
- V. Greater Taung Local Municipality will verify through its billing system that the prospective account holder/ owner/spouse does not have an outstanding account in respect of another property. Should there already be an arrear account, this account will have to be paid before a new account can be opened.

6. SCREENING, CREDIT RATING AND SECURITY DEPOSIT

- 6(1) The municipality shall require the service agreements to be accompanied with banking details, previous municipal account, particulars of trade creditors and the consumer shall give in the service agreement permission and authority to the municipality to verify such information in order to assess the credit risk of the customer;
- 6(2) Apart from section 6(1) above the municipality may also make the necessary enquiries with credit bureaus and similar institutions in order to assess the credit risk of the customer.
- 6(3) The municipality shall classify customers in terms of their credit risk profile into three groups;
 - (a) Good Customers – Customers with a good credit record and pose no credit risk to the municipality;
 - (b) Moderate Customers – Customers with a moderate credit record and pose a credit risk to the municipality; and
 - (c) Bad Customers – Customers with a bad credit record and pose a significant credit risk to the municipality.
- 6(4) Prior to the provision by the municipality of consumption services a security deposit shall be paid by the owner or occupier.
- 6(5) Such security deposit shall be paid either in cash or any other means of payment acceptable to the municipality.
- 6(6) The security deposit may vary according to the credit rating of the customer as assessed by the municipality. The security deposits will be determined as follows depending on the grouping of the customer;
 - (a) The security deposit for a customer with a good credit rating shall be determined and set to cover two month consumption charges which shall include water and electricity consumption;
 - (b) The security deposit for a customer with moderate credit rating shall be determined and set to cover an aggregate of three months consumption charges which shall include water and electricity consumption; and

- (c) For a customer with bad credit rating, the security deposit shall be determined and set to cover an aggregate of five months consumption charges which shall include water and electricity consumption.
- 6(7) The municipality shall review the security deposit on an annually basis in terms of the annual budget process. Any increase or decrease on security deposit shall be reflected on the municipal account of the customer.
- 6(8) Upon termination of the service agreement the amount of the deposit less any outstanding amounts due will be refunded to the customer.
- 6(9) No interest shall be payable to the customer on deposits held by the municipality.
- 6(10) Should the customer wish to appeal against a decision of the Chief Financial Officer in terms of subsections 6(3) and 6(6), the customer may submit an appeal and reasons in writing to the Municipal Manager, within twenty one (21) days from the date on which the customer is notified of the determination of the Chief Financial Officer meant on the above subsections.
- 6(11) The Municipal Manager shall consider the appeal within six weeks from the date of the appeal and shall notify the customer of his or her decision within a reasonable time thereafter.

7. PAYMENT OF MUNICIPAL SERVICES

- 7 (1) The Greater Taung Local Municipality and its appointed agents may, in addition to the normal civil legal procedures to secure payment of accounts that are in arrears, take the following action to secure payment for municipal rates and services;
- 7(1.1) Termination and /or restriction of the provision of services; and
- 7(1.2) Allocating a portion of payments or prepayments to service charges arrears or future charges, Credit control will commence from the conclusion of the consumer agreement.
- 7(1.3) Credit control will inter alia include the following:
- a) Evaluation of application
 - b) Reference checking
 - c) Credit bureau, Deed office, registrar stands

- d) Securities
- e) Deposits
- f) Binding consumer Agreements
- g) Monthly statements
- h) Statement messages
- i) Telephone calls
- j) Friendly reminders
- k) Final notices
- l) Termination or Restriction of services
- m) Letters of demand
- n) Legal Action.

7(2) The customer shall be responsible for payment of municipal services when the municipal account become due.

7(3) The Chief Financial Officer may consolidate separate Municipal Accounts, or portions thereof, of persons liable for payments to the municipality.

7(4) The Occupier, who fails to enter into the service agreement, will despite such failure be liable for the payment of the municipal account.

7(5) Nothing contained in this Policy will prohibit the municipality to collect payment of any amount from the owner or any other person in terms of an applicable legislation.

7(6) An increase in a consumer deposit in terms of section 6(7), becomes payable within twenty one (21) days from the date on which the customer is informed thereof or should the customer appeal against such increase, then within twenty one (21) days from the date on which the Customer is informed of the decision of the Municipal Manager, if the appeal is not up held.

8. JURISTIC PERSON

8(1) Should the Occupier be a Juristic person, the following will apply:

- (a) If the Occupier is a company registered in terms of the Companies Act, No 61 of 1973, the Directors of such, Company shall agree to be jointly and severally liable for payment in terms of the Service Agreement, if the Company fails to make such payment.
- (b) If the Occupier is a closed corporation registered in terms of the Closed Corporations Act 1984 (Act 69 of 1984), the members shall agree to be jointly and severally liable for payment in terms of the Service Agreement, if the Close Corporation fails to make such payment.
- (c) If the Occupier is an Association with legal persona, the members of the, Association shall agree to be jointly and severally liable for payment in terms of the Service Agreement, if the Association fails to make such payment.

8(2) Any Service Agreement signed by a person on behalf of a legal person in section 8(1) above must be accompanied by a resolution authorizing such person to sign on behalf of the legal person.

9. INTEREST

- 9(1) The municipality shall levy interest on any amount due and in arrears, in terms of section 75A (1) (b) of the Municipal Systems Act.
- 9(2) The interest charged on a default amount shall not in aggregate, exceed the unpaid balance of the principal debt as at the time that the default occurs in terms of Section 103(5) of the National Credit Act, 2005.
- 9(3) The interest rate to be charged on overdue amount on property rates shall be set at prime rate plus one percent (1%) as stipulated on Government Gazette No. 28113 (Notice 1856 of 2005).

10. DISHONoured PAYMENTS

- 10(1) Should any payment made to the municipality by cheque or other negotiable instrument, be dishonored by the financial institution on which it is drawn, the municipality may levy such collection charge against the Municipal Account to which the payment relates, as determined by the Council in terms of section 75A (2) of the Municipal Systems Act.
- 10(2) Any dishonoured payment meant in section 10(1) due to insufficient funds with the financial institution on which it is drawn, will be sufficient grounds for a review of the credit rating of the Customer in terms of section 6(1).
- 10(3) The Chief Financial Officer may determine not to accept a cheque or other, negotiable instrument as payment from a Customer, other-than a cheque or negotiable instrument on which payment is guaranteed by the financial institution on which it is drawn, should a payment or previous payment by the Customer been dishonored as meant in section 10(1).

11. DELIVERY

- 11(1) Every document that is required to be delivered to a customer shall be delivered through one or more of the following mechanisms;
- (a) in person at the residential or business premises of the customer, or at any other location designated by the customer but at the expense of the customer, or by ordinary mail;
 - (b) by fax;
 - (c) by cellphone short message service (SMS)
 - (d) by e-mail; and
 - (e) by printable web-page.
- 11(2) Delivery of document shall be in a manner chosen by the customer from the options made available on section 11(1)(a) to (e).

- 11(3) The municipality shall deliver municipal account to all customers one per month at no charge in a manner chosen by the customer for the options made available on Section 11(1)(a) to (e).
- 11(2) In the event that delivery cannot be effected in terms of section 11(1) (a) to (e) above, then by fixing it to or placing it in a conspicuous place, on the Property or Premises to which it relates.

12. SETTLEMENT OF ACCOUNT

- 12(1) An amount tendered as payment against a Municipal Account will, if not representative of the full balance of such account on date of payment, be deemed not to be accepted a full and final payment of the amount due and payable on that date or any future date, unless so authorized by the Chief Financial Officer in writing.
- 12(2) An amount tendered as payment against a Municipal Account will, if less than the outstanding balance, be credited pro rata to the longest outstanding debt items reflected on such account subject thereto that the Chief Financial Officer may direct otherwise.
- 12 (3) If an amount due and payable in terms of the Municipal Account is in arrears and the amount tendered is less than the balance reflected on such account, the payment will be credited against such items on the Municipal Account as the Chief Financial Officer may direct.

13. CERTIFICATION

A certificate issued under the signature of the Chief Financial Officer, will be prima facie evidence of the amount or amounts due and payable to the Council as reflected in such certificate, by the Customer indicated in the certificate, and will upon production thereof in a court of law, be accepted as prima fade evidence of the contents thereof. Council will not be obliged to prove the appointment and authority of the Chief Financial Officer.

14. COLLECTION COSTS

- 14(1) All legal cost incurred by the Council for the recovery of arrear amounts, due and payable in terms of the Municipal Account, will be debited against the Municipal Account, including any tracing cost and attorney's fees at the Attorney- and-own- client scale, subject to the discretion of the court regarding the awarding of cost.
- 14(2) The Council may levy and recover such collection charges determined in terms of section 75A(1)(b) of the Municipal Systems Act, not included in subsection 14(1).

15. REMINDER NOTICE

- 15(1) The Council may cause to be delivered to a Customer who fails to make timeous payment in terms of a Municipal Account, a notice to remind such Customer to make the due payment on or before a date specified in such notice.
- 15(2) A notice in terms of subsection (1) may, notwithstanding section 10, be served on a Customer by electronic mail or by cellular phone short message service send to the electronic mail address or cellular phone number, respectively, provided by the Customer on the service Agreement: and such service shall have the effect as if served in terms of section 10.
- 15(3) Failure by the Council to cause the delivery of the notice in subsection (1), or the Customer not receiving such notice, for whatever reason, will not prevent the Council from instituting further process for the recovery of any arrear payment or constitute a defense against a claim instituted for the recovery of any arrear payment.
- 15(4) The Council may charge a tariff as payment for the delivery of a reminder in subsection (1), as determined by the Council in terms of section 75A (2) of the Municipal Systems Act.

16. LETTER OF DEMAND

- 16(1) The Council may cause to be delivered to a Customer who is in arrears with payment in terms of a Municipal Account, a letter demanding payment of such arrear amount on or before a date specified in such letter of demand.
- 16(2) Failure by the Council to cause the delivery of the letter of demand in subsection (1), or the Customer not receiving such letter of demand, for whatever reason, will not prevent the Council from instituting further process for the recovery of any arrear debt or constitute a defense against a claim instituted for the recovery of any arrear payment.
- 16(3) The Council may charge a tariff for the delivery of a letter of demand in subsection (1), as determined by the Council in terms, of section 75A (2) of the Municipal Systems Act.

17. DEBT COLLECTORS

The Municipality may appoint a debt collector agent or agents to collect on its behalf, arrear payments from Customers, and to take such legal steps necessary to give effect to such debt collection.

18. ATTORNEYS

- 18(1) The Council may, at any time, appoint attorneys to institute or proceed with legal proceedings or appeal proceedings, against a Customer, to recover any amount due for payment by such customer, including the enforcement of the Acknowledgement of Debt.
- 18(2) The Municipal Manager or a member of staff delegated by him or her, may appoint and give any instruction to an attorney and if prudent, legal council, to give effect to subsection (1), and further to depose of or require any person to depose of an affidavit, to give evidence and to produce any document, for the purpose of such legal proceedings.

19. DISCONTINUATION OF SERVICES

The Municipal Manager or delegate may cause the supply of electricity and/or water to be discontinued to a Property or Premises, should the Municipal Account of the customer be in arrears, subject to the provision of the minimum water supply to a Property or Premises as the Council may determine from time to time.

20. EXTENSION FOR PAYMENT

- 20(1) A Customer may apply for extension of time for payment of arrears on the Municipal Account by submitting an Application for Extension of Time for Arrear Payment.
- 20(2) An application will only be considered if the Customer provides all the information as required on the Application For Extension Of Time For Arrear Payment.
- 20(3) The Chief Financial Officer or delegated official will consider an application submitted in terms of subsection (1), having regard to all relevant facts pertaining to the application and in particular the following:
- (a) the amount in arrears;
 - (b) the period over which the arrears accumulated;
 - (c) the amount of payment made by the Customer over the period, in , if any;
 - (d) any written or oral submissions or representations made by the Customer;
 - (e) the financial income and expenditures Of the Customer;
 - (f) the ability of the Customer to make payments on the arrear amount;
 - (g) the credit rating of the Customer mentioned in section 6 (1); and
 - (h) the current average cost over the prior six months of municipal services to the Customer.

- 20(4) The application for payment extension shall be considered by the Credit Extension Committee to be chaired by an official delegated by the Chief Financial Officer, the Committee shall comprise of the representatives of the following departments;
- (a) Electrical Services Department;
 - (b) Community Services Department;
 - (c) Civil Engineering Department; and
 - (d) Financial Services Department.
- 20(5) The Chief Financial Officer or delegated official shall consider the application within fourteen (14) days based on the recommendations of the Committee referred to in Section 20(4).
- 20(6) The decision regarding the period of extension, the amount or instalment amounts to be paid and any other terms and conditions which are deemed necessary shall made in terms of Section 20(3).
- 20(7) The Chief Financial Officer or delegated official shall, on request of the customer provide reasons for refusing payment extension.
- 20(8) Should the Customer wish to appeal against a decision of the Chief Financial Officer or delegated official not to allow an extension applied for in terms of subsection (1) or any term or condition relating to an extension granted by the Chief Financial Officer or delegated official, the Customer may submit an appeal and reasons in writing to the Municipal Manager, within twenty one (21) days from the date on which the Customer is notified of the decision of the Chief Financial Officer or delegated official referred to in Section 20(5).
- 20(9) The Municipal Manager must consider the appeal within fourteen (14) days from the date of the appeal and must notify the Customer of the decision within a reasonable time thereafter.
- 20(10) An extension of time for payment granted in terms of this section, is subject to the Customer signing the Acknowledgment of Debt.
- 20(11) The Municipality may provide debt counselling to customers who are indebted to it in terms of Provisions of the National Credit Act.

20(12) The municipality may from time to time implement incentives to promote prompt payment of municipal accounts.

21. PROVISION FOR BAD DEBTS AND IRRECOVERABLE DEBTS

21(1) The provision for bad debts shall be determined based on the credit classification of customers.

21(2) The classification of customers in section 6(3) shall be applied to determine the provision for bad debts. The provision shall be determined as follows;

(a) No provision for bad debts shall be made to outstanding debts of customers classified in section 6(3)(a) as good customers;

21(3) The municipality, in the case of charges due or where it is the Service Provider, shall only abandon recovery of a debt owed to it in one or more of the following circumstances:

(a) Insolvency or demise of the customer or debtor as the case may be, if proven that his or her estate has insufficient funds to make payment;

(b) A balance being too small to recover for economic reasons considering the costs of recovery;

(c) where the claim has become prescribed;

(d) when the customer or debtor as the case may be relocate and tracing agents are unable to trace the current whereabouts of such person;

(e) All reasonable notifications and cost-effective legal avenues to recover the outstanding amount have been exhausted.

(f) The amount outstanding is the residue of the payment of a dividend from an insolvent estate or where there is a danger of contribution in proving a claim against the insolvent estate.

(g) If the debt outstanding cannot be proved;

- (h) The outstanding amount is due to an administrative error by the municipality;
and
- (i) by Council resolution on good cause shown or as per delegation system of the municipality

21(4) Notwithstanding the above the municipality shall be under no obligation to write off any particular debt.

22. OFFICIAL LANGUAGE AND ILLITERATE PERSONS

22(1) The municipality shall make an endeavor to provide any document that is referred to in this Policy in an official language that the customer can read or understand.

22(2) The municipality shall delegate a member or members of its staff to assist any person who is illiterate or for any other reason, requires assistance to complete any form prescribed or other document required in terms of this Policy, or to read or interpret any account, notice or document issued in this regard.

23. DISPUTES

23(1) A Customer who disputes a Municipal Account must submit such dispute in writing to the Chief Financial Officer or delegated official, stating the reasons for such dispute and any relevant facts, information or representation which the Chief Financial Officer or delegated official should consider to resolve such dispute.

23(2) A dispute submitted in terms of section 23(1), shall not stop or defer the continuation of any legal proceedings already instituted, for the recovery of arrear payment relating to such dispute, unless the Chief Financial Officer or delegated official decides otherwise.

23(3) The Chief Financial Officer or delegated official will consider a dispute submitted in terms of section 23(1) and will inform the Customer of the decision in writing within

fourteen (14) days from the date on which such dispute is submitted, together with reasons for such decision.

- 23(4) Should the Customer wishes to appeal against a decision of the Chief Financial Officer or delegated official, the Customer may submit an appeal and reasons in writing to the Municipal Manager, within twenty one (21) days from the date on which the Customer is informed of the decision of the Chief Financial Officer or delegated official meant in subsection (3).
- 23(5) The Municipal Manager must consider the appeal within fourteen (14) days from the date of the appeal and must notify the Customer of the decision within a reasonable time thereafter.

24. ILLEGAL CONNECTIONS

- 24(1) Any person who undertakes or allow or causes any other person to undertake an illegal connection, will be guilty of an offence.
- 24(2) A customer who becomes aware of an illegal connection of the electricity supply or the water supply to a property or premise owned by or occupied by such customer, must immediately notify the municipality.
- 24(3) The Council will immediately disconnect any illegal connection and remove any wiring, piping or other equipment or installation relating to an illegal connection.
- 24(4) The municipality shall impose a penalty on the property or premise where the illegal connection was discovered.

25. INDIGENT HOUSEHOLDS

The indigent households shall be treated in terms of the Indigent Policy of the municipality.

26. PENALTIES

26(1) A person who fails or omits to do anything prescribed by this policy or do anything prohibited in terms of this policy, will be guilty of an offence.

26(2) A person found guilty of an offence in terms of section 26(1) will be liable to a fine or imprisonment or both such fine and imprisonment.

27. MUNICIPAL OFFICIALS AND COUNCILLORS' DEBTS

In accordance with Municipal Systems Act, Code of Conduct, the Chief Financial Officer may deduct the arrears from the salaries of all municipal officials and councillors who failed to pay their municipal services. Arrangements will be made by the two parties, ie, municipality and official/ councillor

28. SHORT TITLE AND COMMENCEMENT

This Policy will be known as the Credit Control and Debt Collection Policy and shall commence on a date of adoption by the Municipal Council.

GREATER TAUNG LOCAL MUNICIPALITY



PROPERTY RATES POLICY

FORMULATED IN TERMS OF SECTION 3 OF THE LOCAL GOVERNMENT: MUNICIPAL PROPERTY RATES ACT, [ACT NO. 6 OF 2004]

RATES POLICY

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RATES POLICY

1. LEGISLATIVE CONTEXT

- 1.1 This policy is mandated by Section 3 of the Municipal Property Rates Act, 2004 (No. 6 of 2004), which specifically provides that a municipality must adopt a Rates Policy.
- 1.2 In terms of Section 229 of the Constitution of the Republic of South Africa, 1996 (No.108 of 1996), a municipality may impose rates on property.
- 1.3 In terms of the Municipal Property Rates Act, 2004 (No. 6 of 2004) a municipality in accordance with-
 - a. Section 2(1), may levy a rate on property in its area; and
 - b. Section 2(3), must exercise its power to levy a rate on property subject to-
 - i. Section 229 and any other applicable provisions of the Constitution;
 - ii. Provisions of the Property Rates Act; and
 - iii. Rates policy.
- 1.4 In terms of Section 4 (1) (c) of the Municipal Systems Act, 2000 (No. 32 of 2000), the municipality has the right to finance the affairs of the municipality by imposing, *inter alia*, rates on property.
- 1.5 In terms of Section 62(1)(f)(ii) of the Municipal Finance Management Act, 2003 (No. 56 of 2003) the municipal manager must ensure that the municipality has and implements a rates policy.

2. DEFINITIONS

- 2.1 **“Act”** means the Municipal Property Rates Act, 2004 (Act No. 6 of 2004).
- 2.2 **“Municipality”** means the municipal council for the municipal area of the Greater Taung Local Municipality
- 2.3 **All other terms** are used within the context of the definitions contained in the Municipal Property Rates Act, 2004 (Act No. 6 of 2004).

3. POLICY PRINCIPLES

- 3.1 Rates are levied in accordance with the Act as an amount in the rand based on the market value of all rateable property contained in the municipality’s valuation roll and supplementary valuation roll.
- 3.2 As allowed for in the Act, the municipality has chosen to differentiate between various categories of property and categories of owners of property. Some categories of property and categories of owners are granted relief from rates. The municipality however does not grant relief in respect of payments for rates to any category of owners or properties, or to owners of properties on an individual basis, other than by way of an exemption, rebate or reduction provided for in this policy.
- 3.3 Phasing in of rates will be based on the new valuation roll and in terms of Section 21 of the Municipal Property Rates Act (Act No. 6 of 2004)
- 3.4 The rates policy for the municipality is based on the following principles:
 - 3.4.1 Equity
The municipality will treat all ratepayers with similar properties the same.
 - 3.4.2 Affordability
The ability of a person to pay rates will be taken into account by the municipality. In dealing with the poor/indigent ratepayers the municipality will provide relief measures through exemptions, reductions or rebates.
 - 3.4.3 Sustainability
Rating of property will be implemented in a way that:
 - i. it supports sustainable local government by providing a stable and buoyant revenue source within the discretionary control of the municipality; and

- ii. supports local and social economic development with consideration and compliance with the LED strategy of the municipality.
- 3.4.4 Cost efficiency
Rates will be based on the value of all rateable properties and the amount required by the municipality to balance the operating budget after taking into account profits generated on trading services (water, electricity) and economic services (refuse removal, sewerage removal) and the amounts required to finance exemptions, rebates, reductions and phasing-in of rates as approved by the municipality from time to time.

4. SCOPE OF THE POLICY

This policy guides the annual setting (or revision) of property rates. Details pertaining to the applications of the various property rates are published in the Provincial Gazette and the municipality's schedule of tariffs, which must be read in conjunction with this policy.

5. APPLICATION OF THE POLICY

In imposing the rate in the rand for each annual operating budget component, the municipality shall grant exemptions, rebates and reductions to the respective categories of properties and owners as allowed for in this policy.

6. CLASSIFICATION OF SERVICES AND EXPENDITURE

- 6.1 The municipal manager or his/her nominee must, subject to the guidelines provided by the National Treasury and appropriated municipal Committee of the municipality, make provision for the following classification of services:-

6.1.1 Economic services

- i. Refuse removal.
- ii. Sewerage disposal.

6.1.2 Trading services

- i. Water
- vi. Electricity

6.1.3 Subsidised services

These include all those services ordinarily being rendered by the municipality excluding those mentioned in 6.1.1 and 6.1.2.

- 6.2 Trading and economic services must be ring fenced and financed from service charges while community and subsidised services will be financed from profits on trading and economic services, regulatory fees, rates and rates related income.

7. CATEGORIES OF PROPERTY

- 7.1 Different rates may be levied in respect of the following categories of rateable properties and such rates will be determined on an annual basis during the compilation of the annual budget:
- 7.1.1 Residential properties
 - 7.1.2 Industrial properties
 - 7.1.3 Business / office properties
 - 7.1.4 Business / commercial properties
 - 7.1.5 Farm properties (including small holdings) used for)
 - * Agricultural purposes only
 - * Commercial purposes
 - * Industrial purposes
 - * Residential Purposes
 - * Recreational purposes such as sport farms and / or resorts or game farms
 - * Mining purposes
 - * Combination of all
 - 7.1.6 Farm properties not used for any purpose
 - 7.1.7 State owned properties
 - 7.1.8 Municipal properties
 - 7.1.9 Public service infrastructure referred to in the Act
 - 7.1.10 Privately owned towns serviced by the owner
 - 7.1.11 Informal settlements
 - 7.1.12 State trust land
 - 7.1.13 Communal land as defined in section 1 of the communal Land Rights Act of 2004
 - 7.1.14 Properties –
 - * acquired through the Provision of the Land and Assistance Act, 1993 (Act 126 of 1993), or the Restitution of Land Rights Act, 1994 (Act 22 of 1994), or
 - * Properties subject to the Communal Property Associations Act, 1996 (Act 28 of 1996)
 - 7.1.15 Protected areas
 - 7.1.16 Properties on which national monuments are proclaimed
 - 7.1.17 Properties owned by Public Benefit Societies
 - 7.1.18 Properties used for multiple purposes
 - 7.1.19 Privately developed estates
 - 7.1.20 Institutional
 - * Private Schools
 - * Private Hospitals
 - * Religious
 - 7.1.21 Other
- 7.2 In determining the category of a property referred to in 7.1 the municipality shall take into consideration the following criteria or a combination thereof:
- The formal zoning of the property
 - Townships establishment approvals
 - The use of the property
 - Permitted use of the property, and

- The geographical area in which the property is situated
- 7.3 In order to create certainty and to ensure consistency the criteria mentioned in 7.2 shall be applied as indicated below in order or priority and no deviation is permissible
- 7.3.1 Properties shall first of all be categorised in accordance with their formal zoning. Town planning schemes, town establishment schemes and town planning regulations may be used to determine the formal zoning.
- 7.3.2 If, for whatever reason, the status or zoning of a property cannot be determined in terms of 7.3.1 the actual use shall then be determined in order to appropriately categorise such property. All relevant information, including circumstantial evidence, may be taken into consideration in an attempt to determine for what purpose the property is being used. A physical inspection may be done to acquire the necessary information.
- 7.3.3 The geographical area in which a property is situated may be used to assist in the categorisation of a property when the provisions of 7.3.1 can not be applied. However, the geographical area as a criterion should not be used in isolation.
- 7.4 Properties used for multiple purposes shall be categorised and rated as provided for in section 9 of the Cat and as more fully described in clause 9.

8. CATEGORIES OF OWNERS

Criteria for determining categories of owners of properties, for the purpose of granting exemptions, rebates and reductions will be according to the-

- (a) indigent status of the owner of a property,
- (b) sources of income of the owner of a property,
- (c) owners of property situated within an area-affected by-
 - i. a disaster within the meaning of the Disaster Management Act, 2002 (Act No. 57 of 2002); or
 - ii. any other serious adverse social or economic conditions;
- (d) owners of residential properties with a market value below a determined threshold; or
- (e) owners of agricultural properties who are *bona fide* farmers.
- (f) Child headed families where any child of the owner of child who is a blood relative of the owner of the property, is responsible for the care of siblings or parents of the household.

9. PROPERTIES USED FOR MULTIPLE PURPOSES

Rates on properties used for multiple purposes will be levied on properties used for-

- (a) a purpose corresponding with the permitted use of the property, if the permitted use of the property is regulated;
- (b) a purpose corresponding with the dominant use of the property; or

- (c) by apportioning the market value of a property to the different purposes for which the property is used; and
- (d) applying the relevant cent amount in the rand to the corresponding apportioned market value.

10. DIFFERENTIAL RATING

- 10.1 Criteria for differential rating on different categories of properties will be according to -
 - (a) The nature of the property including its sensitivity to rating e.g. agricultural properties used for agricultural purposes.
 - (b) The promotion of social and economic development of the municipality.
- 10.2 Differential rating among the various property categories will be done by way of the set rate for each property category; and/or
- 10.3 by way of reductions and rebates.

11. EXEMPTIONS

- 11.1 The following categories of property are exempted from rates:

11.1.1 Municipal properties

Municipal properties are exempted from paying rates as it will increase the rates burden or service charges to property owners of consumers. Where municipal properties are leased, the lessee will be responsible for the payment of the determined assessment rates.

11.1.2 Residential properties

All residential properties with a market value of less than the amount as annually determined by the municipality are exempted from paying rates. The impermissible rates contemplated in terms of section 17(1)(h) of the Property Rates Act is included in the amount referred to above as annually determined by the municipality. This is an important part of the council's indigent policy and is aimed primarily at alleviating poverty.

11.1.3 Public Service Infrastructure

Is exempted from paying rates as they provide essential services to the community.

11.1.4 Public Benefit Organisations

The following Public Benefit Organisations may apply for the exemption of property rates subject to submitting a tax exemption certificate issued by the South African Revenue Services (SARS) as contemplated in Part 1 of the Ninth Schedule of the Income Tax Act, 1962 (No 58 of 1962):

- i. Health care institutions

Properties used exclusively as a hospital, clinic and mental hospital, including workshops used by the inmates, laundry or cafeteria facilities, provided that any profits from the use of the property are used entirely for the benefit of the institution and/or to charitable purposes within the municipality.

- ii. Welfare institutions
Properties used exclusively as an orphanage, non-profit retirement villages, old age home or benevolent institution, including workshops used by the residents, laundry or cafeteria facilities, provided that any profits from the use of the property are used entirely for the benefit of the institution and/or to charitable purposes within the municipality.
- iii. Educational institutions
Property belonging to educational institutions declared or registered by law.
- iv. Independent schools
Property used by registered independent schools for educational purposes only.
- v. Charitable institutions
Property belonging to not-for-gain institutions or organisations that perform charitable work.
- vi. Sporting bodies
Property used by an organisation whose main purpose is to use the property for sporting purposes on a non-professional and non-profitable basis.
- vii. Cultural institutions
Properties declared in terms of the Cultural Institutions Act, Act 29 of 1969 or the Cultural Institutions Act, Act 66 of 1989.
- vii. Museums, libraries, art galleries and botanical gardens
Registered in the name of private persons, open to the public and not operated for gain.
- viii. Youth development organisations
Property owned and/or used by organisations for the provision of youth leadership or development programmes.

11.2 Exemptions will be subject to the following conditions:

- 11.2.1 all applications must be addressed in writing to the municipality in the prescribed manner or application form;
- 11.2.2 a SARS tax exemption certificate must be attached to all applications;
- 11.2.3 the municipal manager or his/her nominee must approve all applications;

- 11.2.4 applications must reach the municipality **before the end of October preceding the start of the new municipal financial year** for which relief is sought; and
- 11.2.5 the municipality reserves the right to refuse exemptions if the details supplied in the application form are incomplete, incorrect or false.
- 11.2.6 Exemptions in 11.1.1 and 11.1.3 will automatically apply and no application is thus required.

11.3 Impermissible Rates

In terms of section 17(1) of the Property Rates Act 17 the municipality may, inter alia, not levy a rate:

- (a) On those parts of a special nature reserve, national park or nature reserve within the meaning of the Protected Areas Act, or of a national botanical garden within the meaning of the National Environmental Management: Biodiversity Act, 2004, which are not developed or used for commercial, business, or residential agricultural purposes.
- (b) On mineral rights within the meaning of paragraph (b) of the definition of “property” in section 1 of the Act.
- © On a property belonging to a land reform beneficiary or his or her heirs, provided that this exclusion lapses ten years from the date on which such beneficiary’s title was registered in the office of the Registrar of Deeds.
- (d) On a property registered in the name of and used as primarily as a place of public worship by a religious community, including an official residence registered in the name of that community which is occupied by an office-bearer of that community who officiates at services at that place of worship.

11.4 The following categories of owners are exempted from rates:

11.4.1 Child headed families

- (a) Families headed by children are exempted from paying rates, according to monthly household income. To qualify for exemption the head of the family must:
 - occupy the property as his/her normal residence
 - not be older than 18 years of age
 - still be a scholar or jobless
 - be in receipt of a total monthly income from all sources not exceeding an amount to be determined annually by the Municipality (Indigent Policy)
- (b) The family head must apply on a prescribed application form for an exemption as determined by the municipality and must be assisted by the municipality with completion of the application form.

11.4.2 Indigent consumers

- (a) Owners who qualify and who are registered as indigents in terms of the adopted indigent policy of the municipality
Applications must be accompanied by
 - a certified copy of the identity document or any other proof of the applicant’s age which is acceptable to the municipality
 - sufficient proof of total household income

- an affidavit from the applicant
- (c) All applications will be dealt with in accordance with the municipality's credit control policy.
- (d) The municipality retains the right to refuse the exemption if the details supplied in the application form were incomplete, incorrect or false.

12. REDUCTIONS

- 12.1 A reduction in the municipal valuation as contemplated in section 15(1)(b) of the Act will be granted where the value of a property is affected by-
- 12.1.1 a disaster within the meaning of the Disaster Management Act, 2002 (Act No. 57 of 2002); or
 - 12.1.2 any other serious adverse social or economic conditions
- 12.2 The reduction will be in relation to the certificate issued for this purpose by the municipal valuer.
- 12.3 All categories of owners can apply for a reduction in the valuation of the property as described above.
- 12.4 Criteria for granting reductions
- 12.4.1 a reduction in the municipal valuation as contemplated in section 15(1)(b) of the Act may be granted where the value of a property is affected by fire damage, floods or is demolish.
 - 12.4.2 the reduction will be in relation to the certificate issued for this purpose by the municipal valuer.

13. REBATES

- 13.1. Categories of property
- 13.1.1 Business, commercial and industrial properties
 - 13.1.1.1 The municipality may grant rebates to rateable enterprises that promote local, social and economic development in its area of jurisdiction, based on its Local, Social and Economic Development Policy. The following criteria will apply:
 - a. job creation in the municipal area;
 - b. social upliftment of the local community; and
 - c. creation of infrastructure for the benefit of the local community.
 - 13.1.1.2 Rebates may be granted on application as prescribed to:

- a. a business plan submitted in respect of the company indicating how the local, social and economic development objectives of the municipality are going to be met;
- b. an implementation plan submitted and certified by auditors of the company stating that the objectives have been met in the first year after establishment and how the business entity plans to continue to meet the objectives;
- c. an assessment by the municipal manager or his/her nominee indicating that the company qualifies; and
- d. approval of the application by a municipal council resolution.

13.1.2 Residential properties

The municipality may grant a rebate as determined in schedule A, which applies to improved residential property that is:

- 13.1.2.1 used predominantly for residential purposes, with not more than two dwelling units per property,
- 13.1.2.2 registered in terms of the Sectional Title Act,
- 13.1.2.3 owned by a share-block company, or
- 13.1.2.4 a rateable residence on property used for or related to educational purposes

13.1.4 Agricultural property rebate

- 13.1.4.1 Agricultural/farm properties will be granted a standard rebate, for the term of the roll, to be determined by the municipality provided that the farm owner is taxed by SARS as a farmer. This rebate includes the R15 000. If no such tax assessment can be submitted, proof is required that income from farming activities exceeds 40 % of the household income. (See annexure A).

13.1.5 Cemetries (private owned)

The municipality grants a rebate as annually determined provided that an application in the prescribed format is received not later than end of October of each year.

13.2 Categories of owners

13.2.1 Retired and Disabled Persons Rate Rebate

- 13.2.1.1 Retired and Disabled Persons qualify for special rebates according to monthly household income. To qualify for the rebate a property owner must:
 - a. occupies the property as his/her normal residence;

- b. be at least 60 years of age or in receipt of a disability pension from the Department of Social Development or other approved pension funds;
 - c. be in receipt of a total monthly income from all sources (including income of spouses of owner) as per schedule A;
 - d. not be the owner of more than one property.
 - e. provided that where the owner is unable to occupy the property due to no fault of his/her own, the spouse or minor children may satisfy the occupancy requirement.
- 13.2.1.2 Property owners must apply on a prescribed application form for a rebate as determined by the municipality.
- 13.2.1.3 Applications must be accompanied by-
 - a. a certified copy of the bar coded identity document. passport, driver's license, birth certificate or any other proof of the owner's age which is acceptable to the municipality;
 - b. sufficient proof of income of the owner and his/her spouse;
 - c. an affidavit from the owner;
 - d. if the owner is a disabled person proof of a disability pension payable by the state must be supplied; and
 - e. if the owner has retired at an earlier stage for medical reasons proof thereof must be submitted.
 - f. be in receipt of a total monthly income from all sources (including income of spouses of owner) as determined in schedule A;
- 13.2.1.4 these applications must reach the municipality **before the end of October preceding the start of the new municipal financial year** for which relief is sought.
- 13.2.1.5 the municipality reserves the right to refuse rebates if the details supplied in the application form are incomplete, incorrect or false.
- 13.3 Properties with a market value below a prescribed valuation level to be determined by council on annual basis may, instead of a rate being determined on the market value, be rated a uniform fixed amount per property.
- 13.4 The extent of the rebate in terms of 13.1 – 13.3 shall annually be determined by the municipality and it shall be included in the annual budget.

14. PAYMENT OF RATES

- 14.1 The rates levied on the properties shall be payable
 - (a) on a monthly basis (11 installments)
 - (b) annually, before 30 September each year (interest will be levied from 1 October)

- 14.2 the municipality shall determine the due dates for payments in monthly instalments and the single annual payment and this date shall appear on the accounts forwarded to the owner
- 14.3 Interest on arrears rates, whether payable on or before 30 September or in equal monthly instalments, shall be calculated according to approved tariffs annually.
- 14.4 If a property owner who is responsible for the payment of property rates in terms of this policy, fails to pay such rates in the prescribed manner, it will be recovered from him/her in accordance with the provisions of relevant policy's.
- 14.5 Arrears of rates shall be recovered from tenants, occupiers and agents of the owner, in terms of section 28 and 29 of the Act.
- 14.5.1 If an amount, due for rates levied on a property, is not paid by the owner by the due date as shown on the account and no reaction is forthcoming from the owner after two written reminders have been issued, the municipality shall recover the amount in full or partially as follows:
- (a) from the agent who is lawfully responsible to collect commission or rental in respect of the property concerned
 - (b) from a tenant or occupier of the property, only after an attempt was made to collect it from an agent refer to in 14.5.2 but such attempt was unsuccessful or no such agent exists or only a part of the outstanding amount could successfully be recovered .
- 14.5.2 The amount recoverable is limited to the amount as stipulated in the Act and it may only be recovered after written notice has been served on the party concerned (tenant, occupier or agent) of the rates due and payable, but not yet paid by the owner of the property.
- 14.5.3 The notice referred to in 14.5.2 shall give the party concerned at least 14 calendar days to pay the outstanding rates.
- 14.6 Where the rates levied on a particular property have been incorrectly determined, whether because of an error or omission on the part of the municipality or false information provided by the property owner concerned or a contravention of the permitted use to which the proerty concerned may be put, the rates payable shall be appropriately adjusted for the period extending from the date on which the error or omission is detected back to the date on which rates were first levied in terms of the current valuation roll.
- 14.7 In addition, where the error occurred because of fale information provided by the property owner or as a result of a contravention of the permitted use of the property concerned, interest on the unpaid portion of the adjusted rates payable shall be levied at the maximum rate permitted by prevailing legislation.

15. ACCOUNTS TO BE FURNISHED

The municipality will furnish each person liable for the payment of rates with a written account, which will specify:

- (i) the amount due for rates payable,
- (ii) the date on or before which the amount is payable,
- (iii) how the amount was calculated,
- (iv) the market value of the property, and

- (v) rebates, exemptions, reductions or phasing-in, if applicable.

A person liable for payment of rates remains liable for such payment, whether or not such has received a written account from the municipality. If the person concerned has not received a written account, he/she must make the necessary enquiries with the municipality.

In case of a joint ownership the municipality shall consistently, in order to minimise costs and unnecessary administration, recover rates from one of the joint owners only provided that it takes place with the consent of the owners concerned.

16. PHASING IN OF RATES

16.1 The rates to be levied on newly rateable property shall be phased in as explicitly provided for in section 21 of the Act.

16.2 The **phasing-in discount** on the properties referred to in section 21 shall be as follows:

- * First year : 75 % of the relevant rate
- * Second year : 50 % of the relevant rate; and
- * Third year : 25 % of the relevant rate.

16.3 No rates shall be levied on newly rateable properties that are owned and used by organisations conducting activities that are beneficial to the public and that are registered in terms of the Income Tax Act for those activities, during the first year. The phasing-in discount on these properties shall be as indicated below:

- * First year : 100 % of the relevant rate
- * Second year : 75 % of the relevant rate;
- * Third year : 50 % of the relevant rate; and
- * Fourth year : 25 % of the relevant rate.

17. SPECIAL RATING AREAS

17.1 The municipality will, whenever deemed necessary, by means of a formal council resolution determine special rating areas in consultation with the relevant communities as provided for in section 22 of the Act.

17.2 The following matters shall be attended to in consultation with the committee referred to in clause 17.3 whenever special rating is being considered:

17.2.1 Proposed boundaries of the special rating area

17.2.2 Statistical data of the area concerned giving a comprehensive picture of the number of erven with its zoning, services being rendered and detail of services such as capacity, number of vacant erven and services that are not rendered

17.2.3 Proposed improvements clearly indicating the estimated costs of each individual improvement

17.2.4 Proposed financing of the improvements or projects

17.2.5 Priority of projects if more than one

17.2.6 Social economic factors of the relevant community

17.2.7 Different categories of property

17.2.8 The amount of the proposed special rating

17.2.9 Details regarding the implementation of the special rating

17.2.10 The additional income that will be generated by means of the special rating

- 17.3 A committee consisting of 10 members of the community of who 5 shall be women will be established to advise and consult the municipality in regard to the proposed special rating referred to above. This committee will be elected by the inhabitants of the area concerned who are 18 years of age or older. No person under the age of 18 may be elected to serve on the committee. The election of the committee will happen under the guidance of the Municipal Manager. The committee will serve in an advisory capacity only and will have no decisive powers.
- 17.4 The required consent of the relevant community shall be obtained in writing or by means of a formal voting process under the chairmanship of the Municipal Manager. A majority shall be regarded as 50 % plus one of the households affected. Each relevant household, i.e. every receiver of a monthly municipal account, will have 1 vote only.
- 17.5 In determining the special additional rates the municipality shall differentiate between different categories as referred to in clause 7.
- 17.6 The additional rates levied shall be utilised for the purpose of improving or upgrading of the specific area only and not for any other purposes whatsoever.
- 17.7 The municipality shall establish separate accounting and other record-keeping systems, compliant with GAMAP/GRAP, for the indentified area and the households concerned shall be kept informed of progress with projects and financial implications n an annual basis.

18. FREQUENCY OF VALUATION

The municipality shall prepare a new valuation roll every 4 (four) years, with the option to extend the validity of the valuation roll to 5 (five) years with the approval of the MEC for Local Government and Housing in the province.

Supplementary valuations will be done on a continual basis to ensure that the valuation roll is properly maintained.

19. COMMUNITY PARTICIPATION

Before the municipality adopts the rates policy, the municipal manager will follow the process of community participation envisaged in chapter 4 of the Municipal Systems Act and comply with the following requirements:

The municipal manager will:

- 19.1 Conspicuously display the draft rates policy for a period of at least 30 days (municipality to include period decided on) at the municipality's head and satellite offices and libraries and on the website.
- 19.2 Advertise in the media a notice stating that the draft rates policy has been prepared for submission to council and that such policy is available at the various municipal offices and on the website for public inspection. (Property owners

and interest persons may obtain a copy of the draft policy from the municipal offices during office hours at a fee as determined by council as part of the annual tariffs) Property owners and interest persons are invited to submit written comments or representations to the municipality within the specified period in the notice.

19.3 Council will consider all comments and/or representations received when considering the finalisation of the rates policy.

19.4 Public participation will take on the form of community meetings and consultations with various stakeholders in the vernacular to ensure optimal participation.

20. REGISTER OF PROPERTIES

The municipality will compile and maintain a register in respect of all properties situated within the jurisdiction of the municipality. The register will be divided into Part A and Part B.

Part A of the register will consist of the current valuation roll of the municipality and will include all supplementary valuations done from time to time.

Part B of the register will specifies which properties on the valuation roll or any supplementary valuation roll are subject to:

- i. Exemption from rates in terms of section 15 of the Property Rates Act,
- ii. Rebate or reduction in terms of section 15,
- iii. Phasing-in of rates in terms of section 21, and
- iv. Exclusions as referred to in section 17.

The register will be open for inspection by the public at the municipal main offices during office hours or on the website of the municipality.

The municipality will update Part A of the register every 6 months during the supplementary valuation process.

Part B of the register will be updated on a continuous basis.

21. BYLAWS TO GIVE EFFECT TO THE RATES POLICY

The municipality will adopt By-laws to give effect to the implementation of the Rates Policy and such by-laws may differentiate between different categories of the properties and different categories of owners of properties liable for the payment of rates.

22. REGULAR REVIEW PROCESSES

The rates policy must be reviewed on an annual basis to ensure that it complies with the Municipality's strategic objectives as contained in the IDP and with legislation.